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Chapter I

Geography

Land, Climate, Population.

1. **Land.**—Geographically, the new State of Manchuria or Manchoukuo comprises the Provinces of Fengtien, Kirin, Heilungkiang, Jehol, and Hsingan besides the Kwantung Leased Territory and the South Manchuria Railway Zone.

Fengtien covers the lower basin of the Liao River in the southwest and the Hunho River valley, together with the hilly districts of the Changpaishan Range in the northeast. The Province of Kirin occupies the mountainous area south of, and a vast plain north of, the North Manchuria Railway line (former Chinese Eastern Railway), as well as the lowlands along the Sungari River and the narrow plain along the Ussuri River. On the opposite side of Kirin across the Sungari River lies Heilungkiang which also includes a wide plain spreading out from the western bank of the Sungari to the Nonni River valley. That vast region which formerly constituted the northwestern section of Fengtien Province and the western part of Heilungkiang, an extension of the Mongolian Plateau, as well as Barga or Hulunbair lying west of the Great Hsingan Range, is now Hsingan Province. Jehol Province stretches out from both sides of the Yinshan Range to the boundary of North

China, reaching to the plains of the Liao River. The Kwantung Leased Territory forms the southern tip of the Liaotung Peninsula, while the S.M.R. Zone lies along the railway line operated by that organization.

Generally speaking, the soil is fertile and abounds in natural resources both in minerals and timber as shown elsewhere in this book. Agriculture, naturally, is the principal industry.

The area of Manchoukuo according to latest official survey is as follows :

Fengtien	Province . . .	191,753.370 sq.km.
Kirin	" . . .	263,427.340
Heilungkiang	" . . .	441,293.790
Jehol	" . . .	135,006.700
Heingan	" . . .	383,409.350
Tungsheng	Special District	1,202.120
Total		1,416,092.670
Kwantung Leased Territory . . .		3,462.440 sq.km.
South Manchuria Railway Zone ...		290.040
Total.....		3,752.480

2. Climate.—The country has a continental climate, although there exist differences in temperature between the north and south and between the east and west due greatly to the influences of the sea, plains and forests. In Mukden and Hsinking, for instance, such differences range between 65 and 70 degrees C., while in Harbin and Tsitsihar it reaches some 78 degrees. Even during a single day, the mercury often-times registers movements ranging some twenty degrees or so in certain districts. The country enjoys long summer and

winter seasons, (three months summer and six months winter) but brief springs and autumns. The severity of the Manchurian winter fortunately is tempered by the cycle of four warm days after three cold days, while the heat of summer is moderated by comparatively cool evenings and nights.

On the hottest day in Hsinking the thermometer rises to about 39°C. while in mid-winter (February) it drops to some 28°C. below zero.

3. Population.—South Manchuria is more thickly populated than the North. The plains of the Liao River districts in southern Fengtien Province and the Kwantung Leased Territory show the greatest density because of favourable climatic, economic and cultural conditions. More specifically, the districts most densely inhabited lie along the South Manchuria Railway, the Mukden-Shanhaikwan Railway, the Mukden-Chaoyangchen Railway, the Hsinking-Kirin Railway and the North Manchuria Railway lines, as well as along the districts of the Liao and Sungari Rivers.

Population figures compiled by this Government as they stood on December 31, 1932, show the following:

Fengtien Province	15,143,420
Kirin Province	7,135,542
Heilungkiang Province	3,872,777
Hsingan Province	920,400
Hsinking Special Municipality	128,309
Harbin Special Municipality and Tungsheng Sp. Dis.	553,364
Jehol Province	2,054,305
Total	29,606,117 (Dec. 31, 1932)

Kwantung Leased Territory and S.M.R. Zone	1,353,047	(May 31, 1933)
Grand Total	30,959,164	

Analysis of Foreign Population

No. of Japanese in K.L.T. and S.M.R. Zone	257,061
No. of Japanese elsewhere (estimate)	30,000
No. of Koreans in N. & S. Manchuria (estimate) . . .	750,000
Total	1,137,061
No. of other foreigners in K.L.T. and S.M.R. Zone	2,167
No. of other foreigners in Manchoukuo Proper	137,054
Total	139,221
Grand Total	1,276,282

Chapter II

Historical Background

It should be emphasized at the very outset that Manchuria has had its own history and traditions extending over many centuries. Geographically, racially and historically, Manchuria is quite independent of, and different from, China, which is a domain largely of the Han people, while Manchuria is the home of the Manchus and Mongols. In order to realize fully the inevitability of the birth of Manchoukuo from historical as well as racial standpoints, as a result of the legitimate aspirations of the 30,000,000 populace of Manchuria, one must trace briefly the history of this country.

The history of Manchuria may be divided chronologically into nine periods as follows:

- | | |
|------------------------------|--------------------|
| 1. Old Chaosien Period | ? - 108 B.C. |
| 2. Kaokouli Kingdom Period | 37 B.C. - 668 A.D. |
| 3. Pohai Kingdom Period | 713 - 926 |
| 4. Liao Kingdom Period | 907 - 1113 |
| 5. Chin Kingdom Period | 1115 - 1234 |
| 6. Yuan Empire Period | 1279 - 1367 |
| 7. Ching Empire Period | 1616 - 1912 |
| 8. Chinese Republican Period | 1912 - 1932 |
| 9. Manchoukuo | 1932 - |

1. Old Chaosien Period.—Some 3,000 years ago the Sushen tribe of the Manchus made its first appearance in the wilderness of Manchuria. In those early days the southern part of the present Fengtien Province was called

Chaosien or Old Chaosien. The Liaohsi district lying west of the Liao River was inhabited by the Tartars of the Shanjun clan, while the greater parts of Kirin and Heilungkiang Provinces were the homes of the Sushen tribe. These two peoples were respectively called the Sushen and the Shanjun, and they were quite different in manners and customs from the Hans (Chinese). A passage in the "History of Wei" reads:

"In ancient Sushen, they dwelt in caves in the forests, the largest of their dwellings reaching a depth of nine ladders; they were fond of pig breeding and also of eating flesh, making clothes of skins, and they used lard in great quantities on the skins of their bodies in order to protect themselves against the cold in winter. In summer they wore only loin cloths. They used bows four feet in length, heavy as catapults, and their arrows, with heads of green stones, were made of hu, a kind of tree."

These people belonged to the Tungus tribe, old ancestors of the Manchus. It is recorded, however, that in 311 B.C., King Chaowang of the Yen Kingdom of the Hans in China extended his influence to the Liao district in Manchuria. Later during the reign of Emperor Wuti of the Former Han dynasty (140-87 B.C.), the Han race became powerful in the extreme southern districts of Manchuria and northern Korea. The attempt of the Hans to occupy Liaotung, east of the Liao River, ended in failure with the rise of the Kaokouli Kingdom. The great Han Emperor Shih-Huang-Ti of the great

Tsin Dynasty, although very ambitious and desirous of conquering Manchuria, gave up his designs. He, however, launched upon one of the most gigantic tasks in world history, by building the Great Wall for defending the Hans against the invasion of the "northeastern barbarians," *i.e.* the Manchus and Mongo's. Thus from ancient times the Great Wall constituted a demarcation line between China and Manchuria, thereby cutting off all relations between the Hans and Manchus.

2. Kaokouli Kingdom Period.—About 2,000 years ago (37 B.C.), the Kaokouli Kingdom was established by Chumeng, chieftain of the Kaokouli tribe, in the eastern part of the present Fengtien Province. Its power and territory were extended to the northern part of Korea and all over the present Fengtien Province. The southern portion of the present Harbin was then inhabited by the Fuyu tribe of the Manchus. After holding sway over South Manchuria for about 705 years, the rulers of the Kaokouli tribe lost their power.

3. Pohai Kingdom Period.—The Pohai Kingdom covered a vast area, including the lower reaches of the Sungari. The Tonking Castle whose ruins may still be found southwest of Ningkuta was the site of the capital of the Kingdom. After the glorious reign of the first King Kao, several other kings enlarged their domain and built a powerful nation covering the northern part of Korea, inclusive of the areas of the Yalu and Tumen Rivers, and also parts of the present provinces of

Fengtien and Kirin. Constructive works such as the establishment of five large cities, 15 prefectures, 62 sub-prefectures and five huge roads with other communication facilities were carried out. The people adopted in due course of time the culture and various civil institutions of the Tang dynasty (China). Relations with Japan grew very cordial, which continued for more than 200 years. But after a reign of 215 years, the Kingdom was displaced by the Liao Kingdom.

4. Liao Kingdom Period.—Liao was established in 907 A.D. in the northeastern provinces by the Liao people, a branch of the Tungus tribe. Yeh-Lii-A-Pao-Chi, chief of the tribe and gifted warrior, came to dominate a vast plain in Manchuria. Records show that his Kingdom covered the basin of the Amur in the north, the eastern part of Tienshan and Chinghai in the west and even a part of China. Later the conqueror proclaimed himself the Emperor of the Kitans and established himself at Linhuang. Meanwhile, Taitsung of the Kitan dynasty invaded China and changed the title of his Empire to Liao. The Empire, after some 210 years of existence, was overthrown by the Chin dynasty of North Manchuria.

5. Chin Kingdom Period.—Conquering the Liao Empire in 1115, Akuta of the Nuchen tribe of the Manchus, or the Tai-tsu (founder) of the Chin dynasty, brought Manchuria under his sway. He established his capital at Paichin in Acheng prefecture, east of the

present Harbin district. Later he pushed his victorious army towards China, exerting pressure upon the Sung dynasty there. His territories covered Manchuria and Mongolia, as well as the southern and northern districts of the Yellow River basin. After a rule of 120 years, the Chin dynasty was wiped out in 1234 by the Mongols who established the famous Yuan dynasty.

6. Yuan Empire Period.—The Mongolian tribes of Tunghu and Hsienpi are noted world over for their bravery and adventure. They built up one of the greatest Empires on earth, conquering most of the Asiatic countries and marching out to seize European lands.

Succeeding to the great Mongol Empire established by the first conqueror, Jenghis Khan in 1279, Kub'ai Khan, the fifth ruler of the Mongols, completed the empire-building, bringing under his control the vast territories of Manchuria, Mongolia, China, western parts of the Asiatic continent, eastern portions of Europe and even a greater part of Russia. The Mongol warriors, however, fought among themselves, and the lustre of the Empire began to become dim. Upon the rise of the Ming dynasty of China, the Mongol Empire was lowered to the ground after 89 years of glory and grandeur.

Taking advantage of the decline of the Mongol Empire, Cheng-Tsu of the Ming dynasty sent his expeditionary army to the Liaotung district in order to conquer Manchuria. His ambitious policy to settle Manchuria with the Hans, however, failed to materialize. In those

days the Nuchen tribes still flourished in northern Manchuria and held their independence, while the Mongol tribes often threatened the Chinese frontier districts from the north in order to oust the Ming dynasty. Consequently, the reign of the Ming dynasty in the southern part of Manchuria was limited in time and area.

7. Ching Empire Period.—After the fall of the Chin dynasty mentioned before, the Nuchen tribes were scattered all over Manchuria each in rivalry with one another. About 316 years ago, *i. e.* in 1616, Nurhachi, chief of a branch of the Nuchen tribe, making his appearance on the upper reaches of the River Hun, proclaimed himself Emperor of Ta-chin or Great Chin. Meanwhile, he occupied Changchun (now Hsinking) after suppressing the rest of the Nuchen tribes and later established himself at Mukden, unifying North and South Manchuria and Eastern Inner Mongolia. He ousted whatever remnants there were of the Ming dynasty in the Liaotung district. During the reign of his son, the national title of Ching was adopted and his grandson removed his capital from Mukden to Peking (now Peiping) in 1644, which became the permanent seat of the Ching Emperors until the founding of the Chinese Republic by the Revolutionary Army in 1912. In 1661 the Emperor Kong-hsi succeeded in destroying completely the Ming dynasty, which ruled China for nearly 290 years, and stepped into power as the ruler of the five races, *i. e.*, Manchus, Mongols, Chinese, Thibetans and Chinese Mohammedans.

But since the conclusion of the Nertchinsk Treaty in 1689 signed between Imperial China and Tsarist Russia, Manchuria began to have her troubles. Militant Russia constantly pressed her forces southward from Siberia with aggressive designs. Following the Sino-Japanese War in 1895, Russia's intentions became more apparent. On the one hand, she secretly concluded the so-called Li-Lobanov Defence Alliance Treaty against Japan and constructed the North Manchuria Railway (Chinese Eastern Railway) while on the other hand she threatened to grasp Korea. In sheer self-defense, Japan was forced to fight Russia at enormous costs of blood and treasures.

The reign of the Ching Emperors continued, after many ups and downs internally and externally, for about 300 years till 1912, when the Chinese revolutionaries inaugurated in China the Republican regime, dethroning the young Emperor Hsuan-tung, now Mr. Pu Yi, Chief Executive of Manchoukuo.

8. Chinese Republican Period.—The birth and rule of the Chinese Republic fell far short of general expectations of the Chinese, Manchus, Mongols as well as other races of China, since the nation has suffered constantly from the evils of chaos, confusion and maladministration of political mongers and professional militarists. Manchuria was also placed in the cold grip of the Changs (Chang Tso-lin and his son Chang Hsueh-liang) who not only bled the people white but also

deliberately encroached upon Japanese treaty rights and interests in Manchuria.

We must remember here that a sort of esprit de corps, or in the Manchurian expression, the sentiment of "Pao-ching-an-min," signifying "Peace within the borders and security for the people," had been deeply imbued in the minds of the leaders of Manchuria. The principle practically means "Manchuria for Manchurians," encouraging the promotion of peace and welfare by the Manchurians in Manchuria while discouraging the Manchurians to be involved in the affairs of China beyond the Great Wall. In spite of the national will and demonstrations of the Manchus against any military expedition or political entanglement by the Changs and their following, the latter often ventured into North China at the heavy cost upon the 30,000,000 masses. Such financial burdens became too heavy for them to bear any longer. Seizing an opportune moment created by the Mukden incident in September 1931, the people, with the aid of the Japanese troops, overthrew the Chang regime to establish their long-cherished "land of promise" in Manchuria. Hence the founding of independent Manchoukuo on March 1, 1932, supported whole-heartedly by the 30,000,000 inhabitants with Mr. Pu Yi as the Chief Executive of the new State. (For detail account regarding the independence of the new State, refer to "The Independence of Manchoukuo" published by the Manchoukuo Foreign Office in 1932.)

Reviewing the historical background of Manchuria given above, the following salient points stand out vividly :

(1) Manchuria was originally and has been for centuries the home of the Manchus and Mongols, and also the birth-place of the Ching dynasty which conquered the whole of China.

(2) Various groups of the Hans attempted to invade Manchuria whenever the Chinese dynasties became powerful. Thrice before the establishment of the Ching dynasty did the Chinese rulers extend their hands across to the land of the Manchus. But even in such cases, the period of their occupation was not long, *i.e.* for only 700 years or so throughout their reigns out of some 3,000 years of the Manchu and Mongol administrations in Manchuria, while the territory occupied by the Hans throughout this period was confined to a very small section of the lower basin of the Liao River.

(3) During the reign of the Manchu (Ching) dynasty ranging nearly 300 years, Manchuria was separately administered by the Manchurians while China, the homeland of the subjugated Hans, was governed by Manchu officials, the conquerors. In fact Manchuria was held in a superior position as a "crown land," as compared with the rest of the Chinese Empire. Naturally the conquered Chinese followed the Manchu customs and manners, adopting Manchu costumes and wearing queues, among other things.

(4) That the Chinese for ages had looked upon Manchuria as a foreign land inhabited by the "northern barbarians," quite apart from the Chinese, is fully substantiated by the construction of the gigantic Great Wall, which today stands as the natural boundary line between Manchoukuo and China. A passage in a volume on Hsienpi of the "Hou-Han-shu" or "Later Han History," says that "Tsin (the first Emperor of the Tsin dynasty) built the Great Wall and the Han dynasty erected barriers to divide the interior and the outer world".

(5) Even the late Sun Yat-sen, father of the Chinese Republic, in his activities toward the beginning of the Chinese revolution, aimed solely at the "overthrow of the Manchu influence and the development of the Hans," as his watchword, "Mi-Man-Hsing-Han," shows. But later, the Chinese gradually modified their original programme and began to uphold "nationalism" to cover the Chinese, Manchus, Mongols, Thibetans and Mohammedans.

(6) In the early days, the Manchú Court invited Chinese immigrants to Manchuria to exploit the natural resources of the land, although the Manchus regarded Manchuria as the important and sacred birth-place of their own dynasty. As the Chinese came to Manchuria in great numbers in due course of time, the Manchus prohibited Chinese immigration since 1740, in order to preserve Manchuria for themselves. The Imperial Decree issued in 1803 reads in substance,

“The Province outside the Shanhaikwan barrier is an important ground for Manchuria; the Chinese are not permitted to go and settle there for the livelihood of Manchu Bannermen is dependent thereon.”

(7) Under the Ching dynasty, both Manchuria and China were under the rule of the Manchu Court, but there existed an important difference in the position of the two regions. Whereas China became the conquered territory of the Manchu Court, Manchuria was not transformed into a Chinese territory. In other words, the Manchus conquered the Chinese and China became a part of the Manchu Empire.

(8) Upon the formation of the Republic of China, the Manchurian Provinces were nominally placed under the Republican regime, but virtually they remained independent; and all through the reign of the Changs, the land remained independent in both domestic and foreign affairs, although toward the last days of Chang Hsueh-liang's rule, the Kuomintang influence did extend to Manchuria.

(9) Thus viewed, the founding of Manchoukuo merely signifies the “Return of the Manchus to their homeland.” In the place of imperialism of the Ching dynasty, the benevolent rule of “Wangtao” has been made the fountain source of all administrative policies and activities.

Chapter III

Administration

Section I

Theory of "Wangtao"

Manchoukuo's administrative policies, both internal and external, are based upon the theory of "Wangtao". This word which literally means the "Way of the King," but which may be freely translated as the "Way of Benevolent Ruler" is by no means a product of modern times; it is the fundamental idea of Confucianism. The great masses of Manchoukuo, tired of the imported ideas of Republicanism, Nationalism or Dr. Sun Yat-sen's "Three People's Principles", which have all proved gross failures in China, quite naturally turned their minds to their own traditional political ideas inherent in Confucianism. The golden age of such ancient sage-kings as Yao and Shun loomed large and fascinating in their eyes and the result was the unanimous voice of the 30,000,000 people, "Back to Wangtao".

As to the essential ideas of "Wangtao", H.E. Mr. Cheng Hsiao-hsu, Premier of the Manchoukuo Government and staunch advocate of the doctrine, has the following to say:

Yen Yuan asked about perfect virtue. The Master (Confucius) said: "To subdue one's self and return to propriety is perfect virtue. If a man can



H. E. MR. CHENG HSIAO-HSU.
The Prime Minister.

for one day subdue himself and return to propriety, all under heaven will ascribe perfect virtue to him." Tsze-lu asked what constituted the superior man. The Master (Confucius) said, "The cultivation of himself in reverential carefulness." "And is this all?" said Tsze-lu. "He cultivates himself so as to give peace to others," was the reply. "And is that all?" asked Tsze-lu again. The Master said, "He cultivates himself so as to give peace to all people, even Yao and Shun were solicitous about this."

The sentence "He cultivates himself so as to give peace to others" means that in regard to the aged, to give them rest; in regard to friends, to show them sincerity; in regard to the young, to treat them tenderly. The sentence "He cultivates himself so as to give peace to all people" has the same meaning as "Yu (the King who succeeded Shun) thought that if any one in the empire were drowned, it was as if he drowned him". Tsze-lu thought that if any one in the empire suffered hunger, it was as if he famished himself. Yao and Shun took the responsibility of the empire as their own.

In the ancient Chinese "Book of Rites" we find the following:

When the great doctrine prevails all under heaven will work for the common good. The virtuous will be elected to office, and the able will be given responsibility. Faithfulness will be in constant practice and harmony will rule. Consequently, mankind will

not only love their own parents and give care to their own children; all the aged will be provided for, and all the young employed in work. Infants will be fathered; widows and widowers, the fatherless and the unmarried, the disabled and the sick, will all be cared for. The men will have their rights and the women their home. No goods will go to waste, nor need they be stored for private possession. No energy should be used for personal gain. Self-interest ceases, and theft and disorder are unknown. Therefore, the gates of the houses are never closed.

The "Way of the King", according to Premier Cheng Hsiao-hsu, should rule not only internal politics but also international relations. He says:

It is argued that, in this age of nationalism and militarism, no nation can exist without military power. Yet history tells us that men like Napoleon and William the Second failed to achieve their ambitions though their military forces were more than sufficient for their own protection. Today we find small countries existing as independent nations regardless of their military strength. Larger and stronger nations are prevented from annexing them by the principle of the "balance of power," which protects the small nations from the fear of the larger. The safety of the small nations likewise is the protection of the larger.

Hence a similarly developed nation, a "Wangtao" nation in the Far East, if brought into existence, should be of enormous advantage to the whole and would

be under the protection of the great nations. Its weakness will be its strength, for unjustifiable force used against it by any one Power would excite the rest of the powers to come to its assistance and prevent invasion. As a result of a surfeit of war the world is sick of war. If "Wangtao" is adopted the outlook of the whole world will be changed. The development of such an attitude should contribute to the solution of naval and military armament reduction problems. But the most serious menace which confronts us is Communism, because its aim is to overthrow world morality. Communism is our chief enemy, as its very use of the principles of force is contrary to the teachings of "Wangtao."

It may be said also that "Wangtaoism" is neither nationalistic nor communistic but represents the golden mean between fascism and bolshevism. By buttressing "Wangtaoism" with modern science in all government administration, leaders of Manchoukuo feel confident that they can build up a nation that will at once receive the full support of the populace and at the same time hold promise for a bright and progressive future.

Section II

Organization of the Government

A commission for the investigation of various constitutional systems with a view to drafting a suitable constitution for Manchoukuo was appointed by

order of the Chief Executive on March 1, 1933. The commission consists of 23 members headed by the Prime Minister, Mr. Cheng Hsiao-hsu, including all the Cabinet Ministers and members of the Privy Council. Dr. Chao Hsin-po, Chief of the Legislative Council, is now in Japan to study the system and workings of the constitution in that country. His findings are expected to serve as important material in the drafting of this nation's Great Law. Until the Constitution is promulgated, the State will be largely governed in accordance with the Organic Law and the Law Guaranteeing Civil Rights. (See Manchoukuo Foreign Office Publications Series No. 2 (1932) for Organic Law, Law Guaranteeing Civil Rights, and other Laws governing various Government Offices.)

The Organic Law lays down the fundamental rules regarding the structure and operation of the Governmental Organs which were created by Ordinance No. 1, issued on March 9th, the first year of Tatung, *i.e.* 1932. Details are shown on the diagram given elsewhere, the characteristic features being the three Councils, *i.e.*, the State Council, the Supervisory Council and the Legislative Council, the latter two being independent of the State Council.

As the members of the Legislative Council have not yet been elected, laws are provisionally drafted by the State Council and made effective when approved by the Privy Council and sanctioned by the Chief Executive in whose name they are promulgated.

The rights and duties of the people are determined by the Law Guaranteeing Civil Rights promulgated by Ordinance No. 2 issued on March 9th, 1932.

Furthermore, as declared in the Proclamation of the Establishment of Manchoukuo, "there shall be no discrimination with respect to race and caste among those people who now reside within the territory of the new State. In addition to the races of the Hans, Manchus, Mongols, Japanese and Koreans, the peoples of other foreign countries may, upon application, have their rights guaranteed." All nationals who reside in the State will, in conformity with the ordinances, have equal rights and obligations with the subjects of Manchoukuo.

1. Central Government

The Chief Executive.—As the title suggests, he is the chief executive officer of the State, acting upon the advice of his Privy Councillors and assisted by Ministers of the State Council.

Legislative Council.—Functions of the Legislative Council are to draft and approve laws and budget bills, possessing authority to present opinions on state affairs to the State Council. Members of the Council are appointed by the Chief Executive from among the representatives of the peoples.

State Council.—The State Council performs the task of national administration under the leadership of

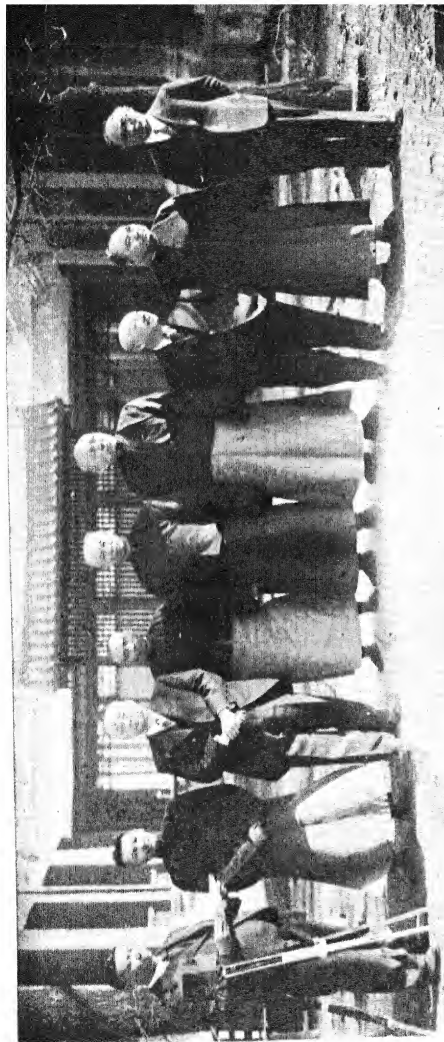
the Prime Minister, and has eight Departments : Civil Affairs, Foreign Affairs, Defence, Finance, Industry, Communications, Justice and Education. The Prime Minister assists the Chief Executive by countersigning laws, military orders, ordinances, and messages concerning State affairs, and further directs the Ministers of all Departments by order of the Chief Executive.

Supervisory Council.—The Council is under the direct control of the Chief Executive, and is independent of the State Council, entrusted with the work of supervision and auditing.

Courts of Justice.—Courts of Justice in Manchoukuo include District Courts, High Courts, and the Supreme Court. In keeping with the spirit of its foundation proclamation, the new Government is seriously endeavouring to abolish all forms of evils and abuses prevalent in the days of the old regime as regards the judicial administration, to protect life and property, and to assure the dispensation of justice by the establishment of modern courts and the appointment of upright and impartial judges.

2. Local Governments.

Each Province has a Provincial Government coming under the jurisdiction and control of the Minister of Civil Affairs and consisting of five Boards, namely, General Affairs, Civil Affairs, Police, Industry and Education. To do away with the evils of the past, a



STATE COUNCIL MINISTERS OF MANCHOUKUO AFTER ONE OF THEIR REGULAR SESSIONS

The State Council Ministers of Manchoukuo meet regularly once every week (special sessions may be held whenever necessary). The picture shows these Manchoukuo helmsmen lined up for a pose after one of their weekly gatherings. From left to right: Messrs. Lo Shen (Secretary to the Premier), Chang Yen-ching (Minister of Industry), Hsieh Chieh-shih (Foreign Minister), Tsang Shih-yi (Minister of Civil Affairs), Cheng Hsiao-hsu (Premier and Education Minister), Sun Chi-chang (Vice-Minister of Finance), Chang Ching-hui (Minister of Defence), Ting Chien-hsiu (Communications Minister), and Feng Han-ching (Justice Minister). Mr. Hsi Chia, the Finance Minister is absent. Mr. Sun Chi-chang was recently made Governor of Heilungkiang Province.

system in which power can be centralized has been adopted. The authority of the Provincial Governors (appointed by Chief Executive) has been reduced to some extent and at present they have no power to command troops. When in need of troops to maintain peace and order, they can request the central Government to furnish them. In cases of emergency, they may, however, demand the military authorities in their respective localities to take action. Provincial Governments have no power to control finance. A province is divided into a number of districts (Hsien), each governed by a magistrate. These districts enjoy a large measure of local autonomy. Again each hsien is made up of a number of villages or "tsun".

Cities.—Hsinking (capital) and Harbin have been created into Special Municipalities each with a Mayor appointed by the central Government. Harbin has a Municipal Council composed of representatives selected from among the native and foreign residents. As for the other cities, so-called "preparatory offices" have been created as a step toward their eventual raising to the status of special municipalities. In the meantime, each of them is administered by the "hsien" or district within whose geographical area it falls.

Hsingan Province.—Reorganizing the old Hsingan Bureau which handled the administrative affairs of Hsingan District, the Manchoukuo Government inaugurated the General Administrative Office of Hsingan

Province under the direct control of the State Council. The Chief Administrator of the Province is appointed by the Chief Executive, while governors who administer the eastern, western, southern and northern sections of the Province are respectively appointed by the Central Government.

3. Occupants of Leading Government Posts

Chief Executive

H. E. Pu Yi

President, Privy Council

General Chang Ching-hui *

Member, " "

General Chang Hai-peng *

Member, " "

Yuan Chin-kai

Member, " "

Kuei Fu

Member, " "

Kumashichi Tsukushi

Member, " "

Harumichi Tanabe

Member, " "

Cheng Yun

State Council

Prime Minister

Cheng Hsiao-hsu

Minister of Civil Affairs

Ts'ang Shih-yi *

Minister of Foreign Affairs

Hsieh Chieh-shih

Minister of Defence

General Chang Ching-hui *

Minister of Finance

Hsi Chia *

Minister of Industry

Chang Yen-ching *

Minister of Communications

Ting Chien-hsiu

Minister of Justice

Feng Han-Ching

Minister of Education

Cheng Hsiao-hsu

Minister of Hsingan General

Chi mo-te-sai-mu-pe-lo.

Administrative Office

Director of General Affairs Board

Ryusaku Endo

Legislative Council

President

Dr. Chao Hsin-po



MANCHOUKUO'S FIRST MINISTER TO JAPAN: MR. TING SHIH-YUAN
Shown with the Foreign Minister, Mr. Hsieh Chieh-shih, on the eve of the departure of the new envoy
to Tokyo. Minister Ting is the taller man shown on the right, facing.

Supervisory Council**President****Chief Justice, Supreme Court****Chief, Supreme Procurator's Office****Envoy to Japan****Lo Chen-yu****Lin Chi****Li Pan****Lt. - General Ting Shih -
yuan, Envoy Extraordi-
nary and Minister Pleni-
potentiary****Consul at Blagoveschensk****Consul at Chita****Foreign Affairs Commissioner at
Harbin****Kuei Heng-chi****Li Yuan****Shih Li-pon****Governors of Provinces****Fengtien Province****Kirin Province****Heilungkiang Province****Jehol Province****Tsang Shih-yi****Hsi Chia *****Sun Chih-chang****General Chang Hai-pong****Mayors of Special Municipalities****Hsinking Special Municipality****Harbin Special Municipality****Chin Pi-tung****Lu Yung-huan****Officers of the Central Bank of Manchou****President****Vice-President****Directors****Yung Hao****Kyoroku Yamanari****Isoichi Washio, Wu En-
pei, Tomio Takeyasu,
Liu Chu-fen, Yasushi
Igarashi, and Liu Shih-
chung****Auditor****Kan Chao-hsi****Foreign Advisors or Counsellors****Advisor to State Council****Chief Military Advisor****Counsellor, Dept. of Foreign Affairs****Counsellor, Dept. of Foreign Affairs****Katsuo Usami****Maj.-Gen. Shun Tada****Arthur H. F. Edwardes****George Bronson Rea***** those holding two or more posts concurrently.**

Section III

Foreign Affairs

1. Foreign Policy.—Referring to the general principle which govern the foreign relations of Manchoukuo, Foreign Minister Hsieh Chieh-shih announced in his communication addressed to foreign countries on March 12, 1932, as follows :—

“ As regards the relations with foreign nations it has been definitely decided that the diplomatic intercourse shall conform to the several principles hereunder stated :

- “ 1. That the Government shall conduct the affairs of the State according to the primary principle of faith and confidence and the spirit of harmony and friendship, and pledge to maintain and promote international peace.
- “ 2. That the Government shall respect international justice in accordance with international laws and conventions.
- “ 3. That the Government shall succeed to those liable obligations, due to the Republic of China by virtue of treaty stipulations with foreign countries, in the light of international laws and conventions and that these obligations shall be faithfully discharged.
- “ 4. That the Government shall not infringe upon the acquired rights of the peoples of foreign

countries within the limits of the State of Manchuria, and further that their persons and properties shall be given full protection.

- “ 5. That the Government welcome the entry of the peoples of foreign nations and their residence in Manchuria and that all races shall be accorded an equal and equitable treatment.
- “ 6. That trade and commerce with foreign countries shall be facilitated so as to contribute to the development of world economy.
- “ 7. That with regard to the economic activities of the peoples of foreign nations within the State of Manchuria the principle of the Open Door shall be observed.”

Further amplifying the foregoing, Mr. Hsieh in his statement given to the New York Journal of Commerce early this year (1933) stated as follows :

In all its dealings with foreign countries or with foreign residents in Manchuria since the founding of the new State, our Government has faithfully adhered to the basic principle outlined in the foregoing. Manchoukuo has borne its due share of the foreign loan service of the Chinese Maritime Customs, and has made two remittances already, as mentioned in the telegraphic communication despatched by myself on September 14, 1932, to Sir Frederick Maze, the Inspector General of Chinese Maritime Customs in Shanghai, as well as to the foreign diplomatic envoys of interested Powers in Peiping and Tokyo.

In this communication, I informed these officials that after the taking over of maritime customs stations, the Manchoukuo Government, in accordance with its notification issued on July 25, had remitted to the Inspector General of Chinese Maritime Customs in Shanghai the sum of Silver Yuan 1,140,101.95 as a portion of this Government's share of the foreign loan payment.

I also added that following the basic principles outlined in the said notification, all necessary preparations had been made for the payment, at any time, of other reasonable share of such loans to be borne by this Government.

As for the sum of Haikwan Tls. 186,003.04, which was held at the Yokohama Specie Bank at Newchwang at the time the customs stations were taken over, this Government being informed that the Nanking Government was in urgent need of it, decided to give special consideration to this matter on that occasion only, and completed arrangements for the remittance of the said sum as Manchoukuo's share of the loan to the Inspector General of Maritime Customs in Shanghai through the Yokohama Specie Bank at Newchwang. Our Government, of course, reserved the right to effect a proper settlement of this matter as soon as Manchoukuo's share of the foreign loans was definitely determined.

Again, in order to be fair to the foreign and domestic creditors in Manchuria who had sold goods

on credit to the former regime and for which no payment had been made, the Government created a Special Commission for the Liquidation of Claims, which has been studying the whole matter very carefully since last August. On December 14, 1932, the Chairman of the Commission outlined its general plan of settlement, the substance of which may be given as follows :

- 1) This plan indicates that the claims whose contracts were concluded since 1930 and wherein goods were duly delivered amount to approximately M.¥ 7,110,000. Of this amount, after due consideration, 35% will be paid in cash during the fiscal year of the first year of Tatung (July 1, 1932—June 30, 1933) and 20% during the fiscal year of second year of Tatung, in uniform ratio to all creditors. The balance of this sum will be paid in 3%-bonds redeemable in 20 years, which total face value shall be equivalent to the sum to be paid.
- 2) In regard to the contracts agreed upon prior to and including 1929, as well as those whose goods were not delivered, totalling M.¥ 5,310,000 or thereabouts, the sum of contracts or damages incurred in each case will be reasonably decided upon after careful investigation, and will be paid in similar bonds with face value equivalent to the sum so decided upon.

2. Settlement of Old Claims.—In pursuance of the general policy outlined and made public on December 14, 1932, regarding the liquidation of foreign and other claims, the Commission for the Liquidation of Claims, after careful study with official representatives of foreign claimants, including Mr. A.G. Major, British Consul General, Mr. A.S. Chase, American Consul, Mr. A.L. Tigges, German Consul and Mr. T. Hachiya, Japanese Consul General, at Mukden and Mr. A. Jorgensen, Danish Consul, at Harbin, effected to date (end of July, 1933) payment amounting to M.¥ 2,417,125.47 in cash to the creditors interested for the claims whose contracts were concluded since 1930 and wherein goods were duly delivered. The amount shared respectively by each creditor nation is as follows :

Creditors	Amount Paid
Japan . .	M.Y 889,114.74
Great Britain . .	188,937.32
Germany	305,154.82
U. S. A.	28,457.26
Manchoukuo and China	1,002,890.12
Denmark	2,091.56
Others	479.65
Total	M.Y2,417,125.47

The claims for the contracts agreed upon prior to and including 1929, as well as those whose goods were not delivered, totalling some M.¥4,000,000 are expected to be adjusted during August this year with 3%-bonds redeemable in twenty years, whose total face value will be equivalent to the sum to be paid.

3. Manchoukuo-Japan Protocol.—The Empire of Japan, “having recognized the fact that Manchoukuo was organized and established as an independent State in accordance with the free will of its inhabitants, and having learned also of Manchoukuo’s firm intention to abide by all international engagements entered into by China in so far as they are applicable to Manchoukuo,” accorded *de jure* recognition to this State on September 15, 1932, which, indeed, was an epoch-making event in the history of the whole world.

The Manchoukuo-Japan Protocol signed by Premier Cheng Hsiao-hsu and the late Field Marshal Baron Nobuyoshi Muto of Manchoukuo and Japan, respectively, at Hsinking on the occasion reads :

Whereas Japan has recognized the fact that Manchoukuo, in accordance with the free will of its inhabitants, has organized and established itself as an independent State ; and

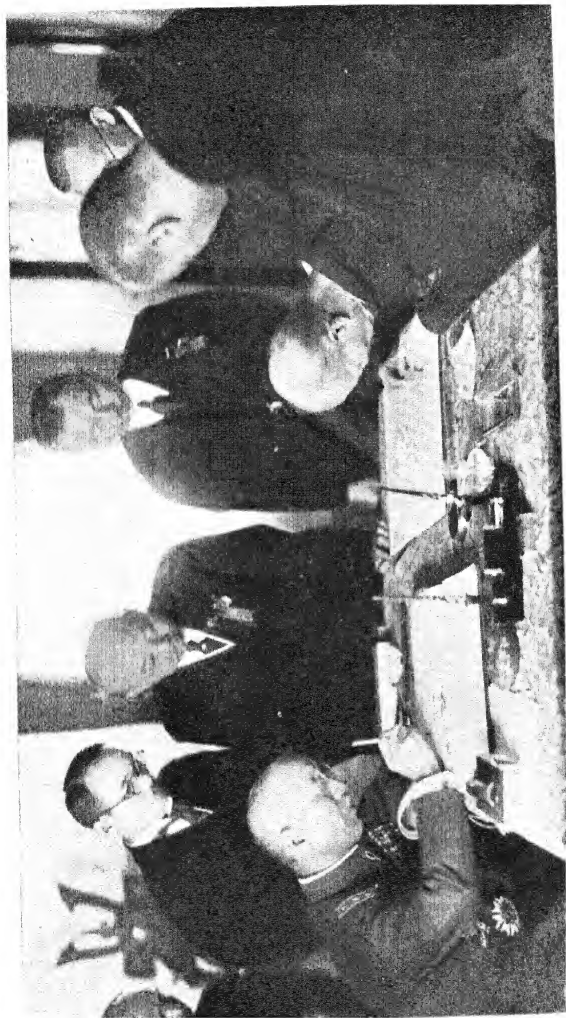
Whereas Manchoukuo has declared its intention of abiding by all international engagements entered into by China in so far as they are applicable to Manchoukuo ;

Now the Governments of Manchoukuo and Japan have, for the purpose of establishing a perpetual relationship of good neighbourhood between Manchoukuo and Japan, each respecting the territorial rights of the other, and also in order to secure the peace of the Far East, agreed as follows :—

1. Manchoukuo shall confirm and respect, in so far as no agreement to the contrary shall be made between Manchoukuo and Japan in the future, all rights and interests possessed by Japan or her subjects within the territory of Manchoukuo by virtue of Sino-Japanese treaties, agreements or other arrangements or of Sino-Japanese contracts, private as well as public ;
2. Manchoukuo and Japan, recognizing that any threat to the territory or to the peace and order of either of the High Contracting Parties constitutes at the same time a threat to the safety and existence of the other, agree to cooperate in the maintenance of their national security, it being understood that such Japanese forces as may be necessary for this purpose shall be stationed in Manchoukuo.

4. North Manchuria Railway (C.E.R.) Conference in Tokyo.

At the time of this writing formal negotiations were going on in Tokyo between the representatives of Manchoukuo and the U.S.S.R. for the proposed purchase by this country of the Soviet interests in the Railway. This conference was opened on June 26, 1933, through the friendly good offices of the Japanese Government, following Soviet Russia's offer of the sale. Manchoukuo's delegates were Lt.-General Ting Shih-yuan, Envoy Extraordinary and Minister Plenipotentiary to Japan,



Signing of the Manchoukuo-Japan Protocol at the Manchoukuo Chief Executive's Office on Sept. 15, 1932. Seated at right and affixing his seal to the Protocol is Mr. Cheng Hsiao-hsu, Premier of Manchoukuo, and opposite him is the late Field Marshal Baron Nobuyoshi Muto, first Japanese Ambassador to Manchoukuo.

and Mr. Chuichi Ohashi, Vice-Minister for Foreign Affairs. Their assistants and secretaries included Messrs. Fan Chih-kuang (director of the N.M.R.), Wu Che-sheng (auditor of the N.M.R.), Yutaka Mori (secretary of the Communications Department), Chiune Sugihara (Foreign Office secretary), and Yu Shao-lan (interpreter, Foreign Office).

The Soviet delegates were Messrs. C. Yurenev (Ambassador in Tokyo), S. M. Kuznetsov (vice-president of N.M.R. directorate), and B. I. Kozlovsky (chief, Far Eastern bureau, U.S.S.R. Foreign Office).

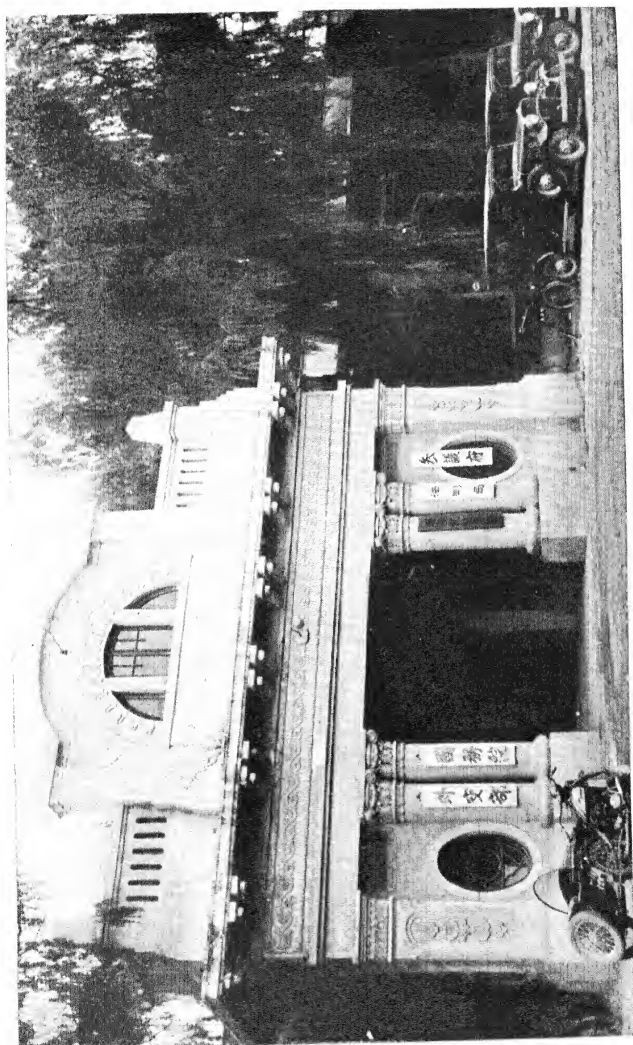
Prior to this, the U.S.S.R. authorities had consented to the opening of Manchoukuo consulates in Soviet territory, as a result of which Manchoukuo now maintains a Consulate at Blagoveschensk (opened in October, 1932) and at Chita (opened in February, 1933).

5. Manchoukuo's Diplomatic and Consular Establishments Abroad and Other Offices

Legation in Tokyo:	Lt.-Gen. Ting Shih-yuan, Envoy Extraordinary and Minister Plenipotentiary.		
Consulate at Blagoveschensk:	Kuei Heng-chi, Consul.		
" " Chita:	Li Yuan, Consul.		
Office of Foreign Affairs Com- missioner at Harbin:	Shih Li-pen, Commissioner.		
Passport Office at Antung:	Yuan Tao,	in charge	
" " Dairen:	Yu Chun,	"	"
" " Yingkow:	Chen Tao,	"	"
" " Suifenho:	Hsui Jui,	"	"
" " Manchouli:	Ning Ying-chin,	"	"
" " Shanhaikwan:	Fu Ying-hai	"	"

Foreign Diplomatic and Consular Officials in Manchoukuo

Japanese Embassy at Hsinking:	General Takashi Hishikari, Ambassador Extraordinary and Plenipotentiary. Succeeded the late Field Marshal Baron Nobuyoshi Muto who died at Hsinking on July 28, 1933.
Japanese Consulate General at Hsinking:	S. Yoshizawa, Consul General.
Japanese Consulate General at Mukden:	T. Hachiya, Consul General.
Japanese Consulate General at Kirin:	S. Morioka, Consul.
Japanese Consulate General at Harbin:	M. Morishima, Consul General.
Japanese Consulate General at Lungchingtsun:	K. Nagai, Consul General.
Japanese Consulate at Antung:	I. Okamoto, Consul.
" " Yingkow:	M. Arakawa, Consul.
" " Tsitsihar:	G. Uchida, Consul.
" " Paitsakuo:	T. Horiuchi, Chancellor.
" " Chutzechie:	T. Tanaka, Vice-Consul.
" " Chihfeng:	O. Seino, Consul.
" " Tunghua:	Y. Okitsu, Vice-Consul.
" " Hailung:	K. Matsuura, Vice-Consul.
" " Taolu:	M. Saito, Chancellor.
" " Hunchun:	K. Mori, Chancellor.
" " Manchouli:	S. Idzumi, Vice-Consul.
" " Chengchia-tun:	Y. Owaku, Consul.
" " Toutaokuo:	H. Matsubara, Chancellor.
" " Chinchow:	R. Goto, Vice-Consul.
" " Hsinminfu:	N. Tsuchiya, Chancellor.
British Consulate General at Mukden:	A. G. Major, Consul General.
British Consulate General at Harbin:	C. F. Garstin, Consul General.
British Consulate at Dairen:	M. E. Dening, Acting Consul.
" " Yingkow:	S. W. Smith, Consul.



Main Entrance to the State Council and the Privy Council's Office.

American Consulate General at Mukden :	M. S. Myers, Consul General.
American Consulate General at Harbin :	G. C. Hanson, Consul General.
American Consulate at Dairen :	J. C. Vincent, Consul.
" " " Antung :	M. S. Myers, Consul General. (Mukden)
French Consulate at Mukden :	P. Crepin, Consul.
" " " Harbin :	L. Reynaud, Consul.
" " " Dairen :	F. Bryner, Acting Consul.
U.S.S.R. Consulate General at Mukden :	E. K. Volodin, Vice-Consul.
U.S.S.R. Consulate General at Harbin :	M. M. Slavoutski, Consul General.
U.S.S.R. Consulate at Dairen :	Ivan Mihailoff, Consul.
" " " Tsitsihar :	Trevinsky, Consul.
" " " Heiho :	V. B. Mihailoff.
" " " Manchouli :	Smirnoff.
German Consulate General at Harbin :	K. A. Balser, Consul General.
German Consulate at Mukden :	A. Tigges, Consul.
" " " Dairen :	W. Dirks, Consul.
Italian Consulate at Harbin :	A. Maffei, Consul.
Belgian Consulate at Harbin :	W. de Gay, Acting Vice-Consul.
Dutch Consulate at Harbin :	L. van der Hoeven, Hon. Consul.
" " " Dairen :	W. H. Winning, Hon. Consul.
Danish Consulate at Harbin :	A. Jorgensen, Hon. Consul.
Swedish Consulate at Dairen :	W. H. Winning, Hon. Consul.
Norwegian Consulate at Yingkow :	P. Farmer, Hon. Consul.
Austrian Consulate at Mukden :	Dr. H. Baumann, Hon. Consul.
Polish Consulate at Harbin :	J. Douglas, Consul.
Czechoslovak Consulate at Harbin :	R. Hejny, Consul.
Portuguese Consulate at Harbin :	S. L. Skidelsky, Hon. Consul.
Lithuanian Consulate at Harbin :	J. Katil-Katilius, Hon. Consul.
Latvian Consulate at Harbin :	P. Meschak, Hon. Consul.
Esthonian Consulate at Harbin :	J. D. Suett, Hon. Consul.
Finnish Consulate at Harbin :	P. Pansing, Hon. Consul.

Open ports and open marts where foreigners are allowed to reside and carry on business are as follows :

Newchwang, Antung, Tatungkou, Mukden, Fenghwangcheng, Liaoyang, Hsinmin, Tiehling, Tungkiangkow, Fakumen, Kirin, Harbin, Hsinking, Kwanchengtze, Ningkuta, Sanhsing, Suifenhö, Lungchingtsun, Chutszechie, Toutaokou, Tsitsihar, Hailar, Aigun, Manchouli, Chihfeng, Taonan, Hunchun, Hulutao, Liaoyuan and Chinchow.

N.B.—For relations with the League of Nations, see Foreign Office Publication Series No. 4 "Manchoukuo and the League of Nations."

Section IV

Peace and Order

National Defence.—Using some of the old Manchurian troops which surrendered themselves and recruiting others, the Manchoukuo Government organized the Defence Forces which are at present stationed at such important cities as Hsinking, Kirin, Mukden, Tsitsihar and other strategic points. The total strength of the army is about 100,000.

The naval force of Manchoukuo consists merely of a few gun-boats on the Sungari River and some others along the coasts of the Gulf of Pechili and the Yellow Sea.

Police Forces.—The Government was compelled to centralize the police forces, remodelling the police system of the old regime. The Metropolitan Police Office was

established at Hsinking while police stations and branches were established at various important cities and towns, including the special police corps, frontier police corps, mobile police corps and marine or seaside police corps for the preservation of peace and order in the country.

Bandit Suppression.—For the work of peace preservation, the Government appropriated M.¥ 42,420,000 for the army and M.¥ 12,638,000 for the police forces out of the total national budget M.¥ 137,957,000 or some 40 % of the total estimates during the first fiscal year. The bandit hordes in Manchoukuo can be roughly divided into five categories: (1) The so-called political bandits formerly under command of notorious ringleaders, such as Ma Chan-shan, Ting Chao and Ssu Ping-wen; (2) professional bandits who are traditional outlaws in Manchuria; (3) civilian bandits who have been forced to take up banditry because of economic necessity to earn their livelihood; (4) religious bandits who ravage the interior districts from religious motives because of their affiliation with such native religious bodies at Tataohui (Big Sword League) and Hungchianghui (Red Spear League); and (5) minor and insignificant groups which consist of farmers or workers in abject poverty.

In order to facilitate the pacification campaign, the Department of Defence organized last autumn the Ching-hsiang Committee or Country-Purification Committee which was entrusted with the important mission of dealing with these outlaws through pacification or allowing the latter to surrender voluntarily. The Committee has

been able to extend its activities all over the country, while the Government organized, after the pacification of Jehol Province, the Central Peace Preservation Committee, abolishing the Chinghsiang Committee. The Central Peace Preservation Committee together with its subordinate organs established in various Provincial districts has undertaken the task formerly entrusted to the now defunct Chinghsiang Committee.

During the middle of October, 1932, the Manchoukuo troops, in co-operation with the Japanese army, launched a gigantic task of bandit suppression in the southeastern districts, and during the middle of November succeeded in suppressing bandits who had infested the districts near Hsinking, Mukden, Kirin and Hailung. At the same time, the anti-Manchoukuo outlaws in Heilungkiang Province were completely subdued. Toward the beginning of December rebellious elements under command of Ssu Ping-wen, who had been continuing subversive activities along the western portion of the North Manchuria Railway (former Chinese Eastern Railway), were placed under control. Manchoukuo troops then continued the campaign in the various districts of Fengtien, Antung and Wafangtien.

In the beginning of January this year, the eastern frontier districts were cleared of outlaws, while Jehol Province, the last stronghold of these anti-Manchoukuo forces, was cleared up last spring. It is interesting to note in this connection that some notorious bandit leaders or ringleaders of irregulars, repenting of their

atrocious activities in the past and seeking the blessings of the rule of "Wangtao" all over Manchoukuo, have surrendered themselves one after another to the new regime together with their subordinates.

Traditionally Manchuria has been known as a nest of bandits. After the birth of the new State, however, a new era was ushered in with the progress of the pacification campaign here mentioned. As a result of the strenuous efforts of the national army and police forces, assisted by the Japanese troops, bandit suppression has been considerably accelerated of late, the number of the outlaws being roughly reduced to some 40,000 or so from the 200,000 level during the old Chang regime.

Owing to the acceleration of anti-bandit campaign since last year, financial, communication and educational organs have shown remarkable progress. Tax-collecting bureaux which were functioning properly numbered only 29 at the end of September, 1932, while they increased to 84 at the end of April, 1933. The number of banks, which were open to business under control of the Central Bank of Manchou, increased from 69 at the end of December, 1932, to 103 in June this year, with only 12 branch offices still closed in the interior. Of the total length of highways (some 3,544 kilometres) in the construction program, about 475 kilometres have been almost completed, 811 kilometres are now under construction and a survey of 2,593 kilometres has been finished. Most of the schools once closed owing to civil disturbances are now open.

Chapter IV

Finance, Industry and Trade

Section I. Finance

Ever since the independence on March 1, 1932, the Manchoukuo Government has centralized its financial system, depriving the provincial authorities of their financial control, and drawing up a single and unified budget for both central and local governments to cover all the revenues and expenditures of the country. In this connection the Government carried out the following reforms :

- (a) Introduction of a national budget system.
- (b) Readjustment of taxation and Government monopolies so as to reduce the ratio to be borne by the people.
- (c) Readjustment of Government enterprises and Government properties.
- (d) Improvement of tax collecting organs by abolishing the farming-out system and putting an end to "squeeze".

1. National Budget.—Following is the estimated national budget of the Manchoukuo Government for the first fiscal year of Tatung, July 1, 1932—June 30, 1933, formally adopted on October 18, 1932.

(All in Manchoukuo yuan)

Revenues (Ordinary)

Taxes and Duties	85,378,000
Customs duties	40,460,000
Tonnage dues	430,000
Salt tax.....	16,814,000
Land tax	2,955,000
Production tax	6,213,000
Business tax.....	3,694,000
Live-stock tax	960,000
Slaughtering tax	50,000
Deeds tax	1,445,000
Tobacco & Wine tax	2,069,000
Consolidated tax	7,172,000
Stamp duty	1,954,000
Mining tax	116,000
Coal tax	349,000
Miscellaneous	698,000
Total	85,378,000
State Industries returns	9,631,000
Miscellaneous	2,377,000
Total	97,386,000

Revenues (Extraordinary)

Sale of State properties	155,000
Miscellaneous	1,372,000
Manchoukuo's portion of N.M.R. or C.E.R. profits	2,104,000
Bonds	12,291,055
Total	15,922,055
Grand total	113,308,055

Expenditures (Ordinary)

Chief Executive's Office	1,150,000
General Affairs Board's Jurisdiction	37,664,697
General Affairs Board Proper	980,117

Privy Council	197,669
Legislative Council	256,332
Supervisory Council	362,566
Bureau of Legislation	189,098
Capital Construction Bureau	259,975
Tatung Academy	213,446
Provincial Governments	12,000,000
National Treasury subsidy	5,196,000
Others	3,009,464
National Treasury reserve	15,000,000
Total	37,664,697
General Administrative Office for Hsingan Province. .	1,012,030
Dept. of Civil Affairs	4,168,175
Dept. of Foreign Affairs	666,892
Dept. of Defence	30,000,000
Dept. of Finance	24,458,243
Dept. of Industry	434,589
Dept. of Communications	1,547,825
Dept. of Justice.....	3,108,126
Dept. of Education	271,511
Total	104,482,088
Expenditures (Extraordinary)	
General Affairs Board	5,033,517
Dept. of Finance	662,400
Dept. of Defence	3,000,000
Dept. of Civil Affairs	116,200
Dept. of Communications	13,850
Total	8,825,967
Grand total....	113,308,055

In addition to the foregoing, the supplementary budget to the amount of 24,648,945 yuan was adopted at the State Council Session of March 20th, 1933, and

approved by the Privy Council on March 21st, 1933, this amount being itemized as follows :

1. M.¥ 16,948,945 allotted for North Manchuria flood relief work and peace preservation activities ;
2. M.¥ 2,600,000 for the establishment and maintenance of Opium Monopoly Bureau ;
3. M.¥ 5,100,000 for the establishment and work of the Capital Construction Bureau.

Adding the above to the general budget adopted on October 11, 1932, the combined budget of the Manchoukuo Government for the first fiscal year of Tatung (1932) totals M.¥ 137,957,000 as follows :

General Budget	M.¥ 113,308,055
Supplementary Budget	<u>24,648,945</u>
Total	M.¥ 137,957,000

The total of the supplementary budget was fully covered by the G¥ 30,000,000 Construction Loan floated last autumn in the Japanese market from which source the sum of about M.¥ 28,950,000 was derived as net proceeds.

1. a. Budget For Second Fiscal Year of Tatung

(July 1, 1933—June 30, 1934)

The Manchoukuo Government's budget for the second fiscal year of Tatung, which was adopted at a special session of the State Council on June 28, 1933, was given formal approval by the Privy Council on

June 29, 1933, The total amount of the new budget exclusive of the special accounts reaches M.¥ 149,169,-178, an increase of M.¥ 11,213,178 as compared with that of the first fiscal year, including its supplementary budget.

Special mention should be made of the fact that the budget has been balanced without resorting to any loan flotation, except for the seven million yuan to be appropriated for constructing State highways the flotation of which sum had been decided during the preceding fiscal year but its execution postponed until the present fiscal year. Estimates for revenues have been increased in anticipation of larger returns than hitherto from customs duties, internal revenues, monopoly profits, and gains from State industries due to the restoration of peace and order, stabilization of the currency, and improvements in the tax-collecting system. Moreover, the surplus carried forward from the first fiscal year has been included among the revenues for the new year.

For the purpose of bringing about greater security of public peace and order, the Government has made necessary arrangements in the budget for peace preservation work and anti-bandit activities.

With a view to placing the industries of the country on a sounder footing, the Government, in addition to making payments for its share of the subscribed capital of the Central Bank of Manchou, has set aside funds to be used for the construction of new roads and for encouraging important industries and other enterprises.

Aids will be given to the municipal and hsien (district) governments during the year so as to enable these bodies to improve their administrative machinery and secure a large measure of financial independence.

To provide for the abolition of the so-called extra-territorial rights now enjoyed by certain foreigners resident in this country, the Government has given due consideration in its budget for the unification of judicial organs, the raising of the quality of judicial officials, and the instituting of other improvements in the judicial system and courts.

To maintain international good faith, the authorities of Manchoukuo have again, as in the preceding year, set aside adequate funds for the redemption of the old foreign debts secured on customs tariff and salt gabelle (both principal and interest). A sinking fund has also been established for the readjustment of national debts, using a portion of the surplus carried forward from the first fiscal year for this purpose.

On the whole, compared with the budget for the first fiscal year, the new budget shows a marked advance, which in turn is indicative of the growing stability and progress of the nation itself.

The figures of the new budget as released by the State Council are as follows :

REVENUES FOR SECOND FISCAL YEAR OF TATUNG

Jurisdiction	Ordinary	Extraordinary	Total
General Affairs Board	83,154	7,678,178	7,761,332
Dept. of Civil Affairs	1,746,600	1,476,500	3,223,100

Dept. of Foreign Affairs	50,410	—	50,410
Dept. of Defence .	530,600	—	530,600
Dept. of Finance ..	126,564,466	7,550,200	134,114,666
Dept. of Industry...	1,451,880	—	1,451,880
Dept. of Communications	342,000	—	342,000
Dept. of Justice ..	1,365,190	330,000	1,695,190
Total ...	M¥132,134,300	M¥17,034,878	M¥149,169,178

REVENUES FOR SECOND FISCAL YEAR OF TATUNG (ORDINARY)

	2nd Yr.	1st Yr.	Increase or Decrease
Taxes and Duties .	108,629,445	84,838,000	23,791,445(+)
Customs Duties .	49,781,018	40,890,000	8,891,018(+)
Internal Revenues	38,111,627	27,134,000	10,977,627(+)
Salt Gabelle	20,736,800	16,814,000	3,922,800(+)
Monopoly Profits .	15,386,646	9,952,000	5,434,646(+)
Monopoly Bureau Profits	9,828,246	5,000,000	4,828,246(+)
Kirin—Heilung- kiang Salt Trans. Office	5,000,000	4,362,000	638,000(+)
Others	558,400	590,000	31,600(-)
State Industries and Other Revenues .	8,118,209	2,596,000	5,522,209(+)
Total ..	M¥132,134,300	M¥97,386,000	M¥34,748,300(+)

REVENUES FOR SECOND FISCAL YR. OF TATUNG (EXTRAORDINARY)

	2nd Yr.	1st Yr.	Increase or Decrease
General	6,678,204	3,631,000	3,047,204(+)
From Special Accounts	317,310	100,000	217,310(+)

Loan Fund	7,000,000	36,839,000	29,839,000 (-)
Surplus from 1st. Yr.	3,039,364	—	3,039,364 (+)
Total	17,034,878	40,570,000	23,535,122 (-)

Grand Total...M¥149,169,178 M¥137,956,000 M¥11,213,178

N. B.—Figures for First Fiscal Year include supplementary budget.

EXPENDITURES FOR SECOND FISCAL YEAR OF TATUNG

	Ordinary	Extraordinary	Total
Chief Executive's Office	1,200,000	—	1,200,000
General Affairs Board	20,379,055	19,299,157	39,678,212
Gen. Adminis. Office for Hsingan Province	2,319,034	25,167	2,344,201
Dept. of Civil Affairs	22,648,019	1,632,585	24,280,604
Dept. of Foreign Affairs	1,202,950	42,331	1,245,281
Dept. of Defence	37,333,323	4,633,984	41,967,307
Dept. of Finance	12,411,710	13,933,182	26,344,892
Dept. of Industry	1,521,557	1,889,240	3,410,797
Dept. of Communications	2,005,968	165,000	2,170,968
Dept. of Justice	5,595,814	—	5,595,814
Dept. of Education	831,278	99,824	931,102
Total	M¥107,448,708	M¥41,720,470	M¥149,169,178

SPECIAL ACCOUNTS BUDGET FOR SECOND FISCAL YEAR OF TATUNG (REVENUES AND EXPENDITURES)

1. General Accounts Budget	M¥149,169,178
2. Special Accounts Budget	106,945,834

General Affairs Board

Adjustment Fund for Old Foreign

Loans Secured on Customs Duties

and Salt Gabelle 25,893,712

Capital Construction Bureau 6,424,000

State Highways Bureau 7,000,000

Supplies Fund 5,404,476

Sinking Fund 315,000

Dept. of Defence

Army Clothing Factory 5,382,500

Dept. of Finance

Monopoly Bureau 32,893,394

	July	Aug.	Sept.	Oct.	Nov.
Customs Duties . . .	2,854	2,334	2,550	3,514	4,918
Salt tax . . .	282	488	470	1,313	765
Inland revenues . . .	1,136	1,214	1,228	1,385	1,346
Miscellaneous . . .	54	56	59	46	266
Kirin - Heilungkiang salt revenue	400	—	—	200	400
Opium Monopoly . . .	—	—	—	—	—
Saltpetre and Nitrate Bureau	—	—	—	—	—
Rents of Government properties	—	—	—	—	—
Total	4,726	4,122	4,307	6,458	7,695

Extraordinary Revenues (All in MY 1,000)

Proceeds from sale of Government properties	—	—	18	—	—
Proceeds from lottery tickets for flood relief .	—	—	—	100	150
Total	—	—	18	100	150
Grand total	4,726	4,122	4,325	6,558	7,845

N.B.—* 23 is included in the item "Miscellaneous"

Kirin-Heilungkiang Salt Transportation Office	19,679,272
State Properties Adjustment Fund .	1,072,280
Dept. of Communications	
Postal Administration	2,881,200
Grand Total	MY256,115,015

2. Government Revenues.—The returns of the Government revenues for the period July, 1932—May, 1933 inclusive, as published by the Department of Finance are as follows:

Ordinary Revenues (All in M.Y1,000)

Dec.	Jan.	Feb.	March	April	May	Total
5,041	4,116	5,058	5,502	5,323	5,670	46,880
2,190	1,529	1,716	2,063	1,274	2,411	14,501
2,479	3,346	3,068	2,709	2,676	2,515	23,132
89	48	25	89	15	150	897
300	400	500	800	800	300	4,100
—	—	—	—	—	—	—
—	—	—	—	—	—	—
—	—	—	—	—	—	—
10,099	9,439	10,367	11,163	10,088	11,046	89,510
2	—	3	23*			
150	150	150	100	100	100	1,000
152	150	153	100	100	100	1,005
10,251	9,589	10,520	11,240	10,188	11,146	90,515

It may be seen from the above table that the monthly average revenue of the Government amounts to 8,288,000 yuan.

3. Adjustment of Taxes and Customs.—In order to lighten the tax burdens of the people, the local tax system enforced hitherto since the Chang administration, will be completely revised some time in the near future.

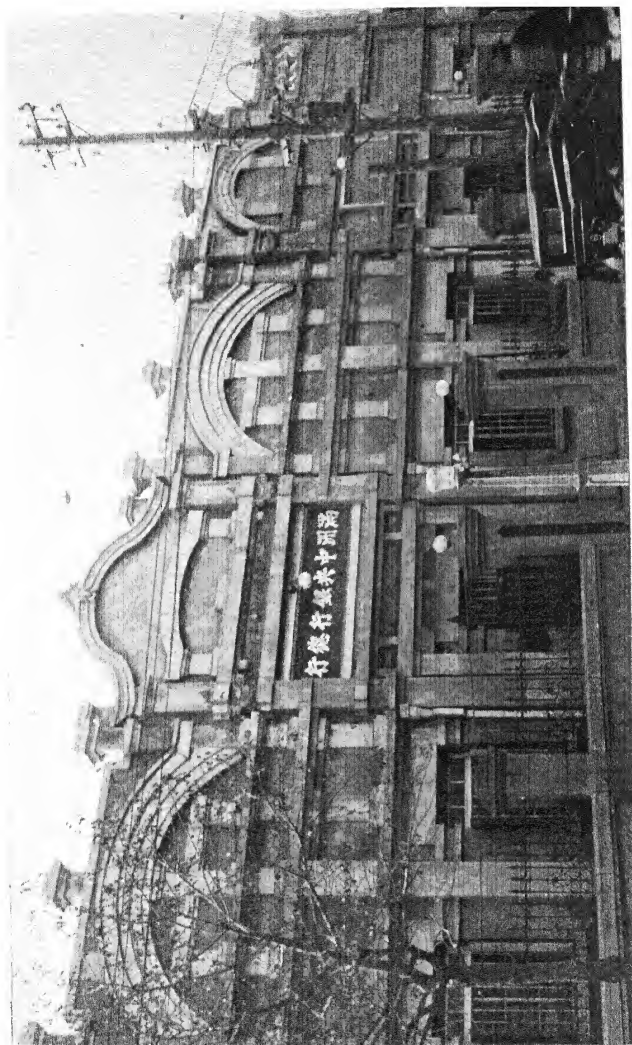
A partial revision of the Import and Export Customs Tariffs of Manchoukuo, adopted from the former regime without change at the time the customs administration was taken over by this nation, was effected and put into force on and after July 23, 1933. The reasons for the revision which is an interim measure pending the fundamental revision, as well as the full text of the tariffs affected (29 in imports and 6 in exports, are set forth in Bulletin No. 77 issued July 22, 1933, by the Bureau of Information and Publicity of the Manchoukuo Foreign Office, which may be found in the appendix of this book.

Section II

Currency Unification

1. The Central Bank of Manchou and its Achievements.

The Central Bank of Manchou was established at Hsinking on June 15, 1932, the first year of Tatung, with a capital of 30,000,000 yuan (Manchoukuo nation-



The Central Bank of Manchou, Hsinking Head Office.

al currency), of which 7,500,000 yuan was at once paid in. The amalgamation of the four old note-issuing banks—the Bank of the Three Eastern Provinces, the Bank of Kirin Province, the Bank of Heilungkiang Province and the Frontier Bank—with the new Bank took place on July 1, when the latter opened its business. The Bank has, at present 115 branches including agencies throughout the country. (Refer to “The Central Bank of Manchou and Laws Relating thereto” published by Manchoukuo Foreign Office, 1932.)

In the formation of the new Central Bank three important objectives were laid out:—

1. To unify and stabilize the currency;
2. To function not only as a central banking institute for Manchoukuo, but also to engage in general banking business and give necessary aid to enterprises; and
3. To effect the unity and control of monetary system, to perfect the various financial organs, and to assist in the development of the credit system.

As a result of the merger of the aforementioned four banks with the new, the notes issued by the old banks were taken over by the new institution together with all assets and liabilities. In order to ascertain the assets of the old banks, a special committee was appointed and any deficit found in consequence of such an enquiry is to be compensated for by the Government.

The union of the old banks with the new necessitated the taking over of the following number of offices and their employees by the latter :

No. of bank offices	128
No. of their employees	1,940
No. of subsidiary firms	132
No. of their employees	3,539

The subsidiary firms mentioned in the foregoing had been dealing chiefly in Manchurian staple products, besides engaging in other commercial, industrial, lumbering and mining enterprises. In accordance with the stipulations contained in the Law of the Central Bank of Manchou, a corporation named the Tahsing Co. was established at Hsinking in the spring of 1933 to deal in pawning business, brewing, oil-refining and sundry goods besides popular financing. However, such commercial and industrial enterprises as lumbering, flouring, paper-manufacturing, mining and cereal transactions, which had heretofore been undertaken by the Industrial Bureau of the Bank, are placed in the hands of the general merchants. The new firm, which was capitalized at 6,000,000 yuan, has decided to establish its branch offices at Mukden, Kirin, Harbin and Tsitsihar.

Though only a year old, the Central Bank of Manchou has witnessed a notable progress. It has accomplished numerous deeds which would not have been possible under the former Chang regime in Manchuria and even now in China, and has gained an excellent reputation among all foreign banking and general financial

circles both in Manchoukuo and elsewhere. It may be emphasized in this connection that the specie reserve of the Bank held in gold and silver has always been over 50% of the total note issue since the very beginning, a position which only few large banks in the world enjoy to-day and which has won for the Bank the confidence of the people both within the State and abroad. The balance is held in gilt-edged securities and Government bonds.

Among the outstanding achievements of the Bank so far the following may be mentioned :

1. Unification and Stabilization of the Currency

(a) Unification of currency

The 15 different kinds of paper money issued and circulated by the old banks are being replaced by the new national currency at officially fixed exchange rates. Again, the issue and circulation of the ssu-tieh (privately issued bearer-notes) which numbered fully a hundred in variety throughout Manchuria during the days of the former militarist regimes, have been forbidden. The minting of new and unified auxiliary coins to replace the old complicated and confusing system of money has also been completed and put into circulation by the Central Bank of Manchou.

(b) Stabilization of Currency

The new Manchoukuo currency notes which have been issued and put into circulation since the opening

of the Central Bank of Manchou have been favourably received by the people throughout the country. Merchants, bankers, and others everywhere have understood the fast changed situation and have faithfully observed the official exchange rates between the old and new currencies. The value of the new currency has shown no wide fluctuation since its appearance. Fully 60% of the old notes had been redeemed and replaced by the new during the first year of the Bank's operation. In this way, the stability of currency has been secured and the monetary circulation has become smooth, as a result of which merchants all over the country have begun to list the prices of their goods according to the new currency.

(c) Issue of Notes

The note issue of the Central Bank of Manchou since its beginning has been steady, as has been the recovery of the old notes.

The following table shows the amount of new notes issued and those of old notes redeemed by the Bank since July 1, 1932, up to June 30, 1933:

(All in M. Yuan)

	Notes issued	Reserve (gold and silver)	Reserve %	Security reserve
July . .	139,055,877	79,158,142	56.9	59,897,735
Aug. . . .	123,173,093	66,532,719	54.0	56,640,373
Sept.	120,699,836	65,446,749	51.2	55,253,087
Oct.	122,509,471	63,929,540	52.2	58,579,930
Nov.	132,688,334	70,795,080	53.4	61,893,254

Dec. .	151,865,395	77,849,097	51 3	74,016,298
Jan .	151,851,603	87,859,438	56 7	66,992,164
Feb. .	146,441,161	83,033,097	56.7	63,408,064
Mar. .	136,353,347	79,065,679	58.0	57,287,671
Apr.	130,081,041	73,621,509	56.6	56,459,532
May .	124,193,390	73,257,756	59 0	50,935,634
June ..	112,263,519	76,059,565	67 8	36,203,954

Old notes issued by	Old notes taken over by the Bank of Manchou	Old notes redeemed July 1932 June 1933	Current amount of old notes.
Bank of Three Eastern Provinces' .	68,102,561	40,909,810	27,192,751
Frontier Bank	16,822,360	7,983,140	8,839,220
Bank of Kirin Province .	31,693,477	20,855,274	10,838,203
Bank of Heilung- kiang Province . . .	25,616,481	15,766,584	9,849,896
Total	142,234,878	85,514,808	56,720,070

Manchoukuo Yuan Average Monthly Quotations

(July 1932—June 1933, Hsinking)

	on G. Yen	on Silver \$
July 1932 .	73.225	102.40
Aug. . .	85.95	103.155
Sept . . .	91 75	100.25
Oct. . . .	91 25	100 00
Nov.	105 00	99.50
Dec.	97 75	99.50
Jan. 1933	98.75	100.00
Feb.	97.17	99.99
Mar.	96.01	100.00
Apr	96.11	100.00
May	98.58	100 00
June	99 37	97.68

2. Other Important Undertakings

Since the commencement of its business, the Bank has accomplished the following :—

- a. Lowering of the interest rates ;
- b. Readjustment of both internal and external exchanges ;
- c. Maintenance of equilibrium in monetary circulation.

Effects on Finance and Other Circles

The effects of the establishment and operation of the Central Bank of Manchou on the finances of the country and other circles have been favourable, the most striking of which may be itemized as follows :—

a. The inflow of the revenues of the Government, which under the old regime were exceedingly uncertain because of the instability of the currency, has become secure and steady.

b. Uneasiness has been removed from business and economic circles, which has stimulated fresh activities in industries. Moreover, the taking over by the Manchoukuo Government of Customs Offices and Salt Gabelle stations has placed the sources of the Government revenues on a stable and sound footing.

c. The conditions described in the foregoing have enabled the Government to balance its budget without calling upon the assistance of the Central Bank of Manchou, there being thus no occasion or need for a

reckless currency inflation as in the days of the former militarists. The Bank is accordingly in position to grant substantial aids to the industries and for the promotion of trade.

It may perhaps not be amiss to give in this connection an illustration of the abuses of the official banks by the former Manchuria militarists and the resulting disorder in financial and business circles of the country, which stand in sharp contrast with the state of affairs under the new regime.

a. In former days, Chang Hsueh-liang and his military clique exerted undue pressure upon the banks by abusing their official positions. The militarists ordered an issue of an indefinite amount of paper money for creating war funds at their whim and will. From 80% to 90% of all Government revenues went to the coffers of these warlords as compared to 26.5%, in the 1932-1933 budget and 28.1% in the 1933-1934 budget appropriated to the Department of Defence in the new Government budgets. Valueless paper notes were issued and circulated by the official banks by order of the generals, the figure swelling to several billion yuan. Consequently, the market quotations of most of these notes dropped to the bottom.

b. The official banks, too, utilized the generals under the old system and greatly accelerated the fall of the currency. With depreciated notes, these banks bought up practically all of the Manchurian staple goods every year from the farmers. At this juncture the banks

would issue fresh notes to buy up the depreciated ones already in circulation and reap huge profits. The banks thus profited themselves at the cost of the worthless notes which they themselves issued.

c. This state of affairs naturally led to the indiscriminate and reckless issue of notes and gave rise to a countless number of money exchangers in the cities and towns, resulting in great confusion and causing considerable inconvenience to the people.

STATEMENT OF ASSETS AND LIABILITIES OF THE CENTRAL BANK OF MANCHOU

As at Close of Business 31st December, First Year of Tatung.
The First Business Report Submitted to the General
Meeting of Shareholders of the Bank.

(Official Gazette, Mar. 3, 1933)

BALANCE SHEET

I. Assets

Capital Unpaid	MY 22,500,000.00
Advances to the Government	27,659,014.17
Time Loans	40,311,359.68
Overdrafts	46,057,729.81
Other Loans	9,899,481.13
Deposits with Other Banks	54,917,098.34
Liabilities of Customers against Acceptance and Guarantee	3,756,378.20
Suspenses	40,833,832.22
Various Securities	11,909,989.72
Bullion and Foreign Money	24,214,345.56

Bank Properties..	20,221,942.34
Cash on Hand ..	8,733,975.67
Total Assets	311,015,146.24

II. Liabilities

Capital Subscribed	MY 30,000,000.00
Notes Issued	151,865,395.87
Government Deposits	30,258,578.66
Fixed Deposits	1,409,399.98
Current Deposits	12,768,803.43
Special Current Deposits	2,584,800.89
Other Deposits	3,269,436.78
Loans from Banks	21,266,392.27
Bills Payable	1,335,561.14
Acceptance and Guarantee	3,756,378.20
Temporary Payment	52,137,590.40
Net Profit for the Half Year	362,808.62
Total Liabilities	311,015,146.24

PROFIT AND LOSS ACCOUNT

1. TOTAL GROSS PROFIT FOR THE PERIOD	MY 6,657,755.76
2. TOTAL GROSS LOSS FOR THE PERIOD...	6,294,947.14
NET PROFIT	362,808.62

ALLOCATION OF PROFITS

1. Reserve against Loss and Contingencies	30,000.00
2. Reserve for Dividend	10,000.00
3. Special Reserve	80,000.00
4. Dividend to Shareholders (6% per annum)	225,000.00
5. Balance Carried Forward.	17,808.61

Yung Hao, President (*Signed*)
and
Directors, Auditors.

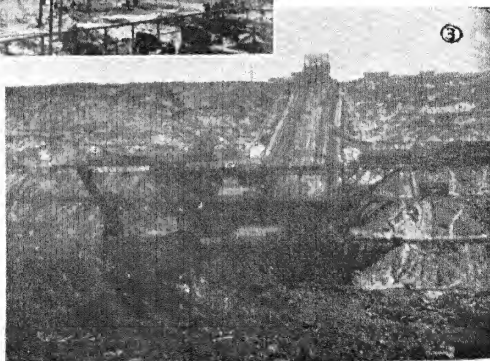
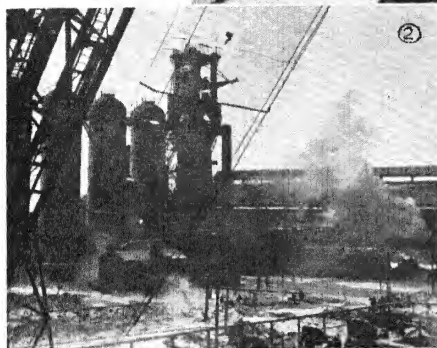
Section III.

Fundamental Policies for Economic Construction

The Economic Construction Plan published by the Manchoukuo Government on March 1, 1933, contains the following statements :

“In order to avoid the baneful effects which capitalism, when unbridled, may exert, it is necessary, in constructing our national economy, to apply a certain amount of national control thereto, and to utilize the fruits of capital so that a sound and lively development in all branches of the people's economy may be realized. Thus will the economic life of the great mass of citizens be enriched and rendered secure, the standard of their national life elevated, and the country's power strengthened, and in turn enable this country to contribute to the development of world economy, and advance the cause of culture. Through such a process Manchoukuo intends to realize a model State which is the aspiration of the founders of this nation and which after all is the ultimate goal of the economic program. In order to attain this great objective, it is essential to proceed under four basic policies enumerated hereinafter :—

“Firstly, the interests of the people as a whole will be made the keynote and efforts will be made to prevent any exclusive class of people from monopolizing the benefits of the exploitation of natural



INDUSTRIAL ACTIVITIES IN MANCHURIA.

1. Soya beans, staple product of Manchuria, at Hsinking railway station ready for shipment.
2. Anshan steel mill operated by the S.M.R.
3. Fushun coal mine (open cut) operated by the S.M.R.

resources and the development of industries, and to enable all to enjoy such benefits.

“Secondly, in order to develop all natural resources most effectively and to secure a co-ordinated development of every branch of economy, national control will be exerted on important economic activities and measures for their rationalization devised.

“Thirdly, in the work of unlocking resources and encouraging industries, the principle of the open door and equal opportunity will be observed. In the spirit of this principle, capital investments from various parts of the world will be invited, while appropriate and effectual use will be made of the technical skill and experience and other essence of civilization, taken from advanced nations.

“Finally, with a view to harmonizing and rationalizing economic relations among Eastern Asiatic countries, and in view of the close economic interdependence between this country and Japan, emphasis will be placed upon securing co-operation between the two nations, and thereby rendering more intimate the relationship of mutual assistance.

“These four policies being fundamental in the projected economic construction, they will be thoroughly and scrupulously observed in all cases so as to insure their complete execution.

“Based upon the fundamental policies listed in the foregoing, the Government will seek to control its

national economy within the scope of the following limits considered as the most feasible and best under the present circumstances :—

“(1) As a principle, those enterprises which are important from the standpoint of national defence, or which are in the nature of public utility or public benefit will be conducted under official management by special companies.

“(2) Industries and resources not included within the above category will be left to the free management of private persons. Proper and necessary adjustment will be effected in the spheres of both production and consumption in order to promote national happiness and welfare, as well as to maintain the livelihood of the people.”

Section IV.

Industry

1. Agriculture

Agriculture is the mainstay of Manchoukuo's national economy. The objective for the increase of farm produces lies in planning to become self-sufficient in those products which at present must be imported from abroad, as well as in striving to export in greater quantities agricultural produces in general and thereby secure a larger measure of happiness and benefit for the rural masses and elevate their standard of living.

Improvement and Increase of Farm Products

a. Proper guidance and encouragement will be given by the Government for the cultivation of soya beans, kaoliang, millet and maize which constitute the staple products of Manchoukuo, so as to improve their qualities and increase their output.

b. The area for the cultivation of cotton will be increased to some 735,000 acres, and the annual output of ginned cotton to 150,000,000 catties.

c. The cultivated area of wheat will be increased to some 5,635,000 acres and its annual production to some 100,000,000 bushels.

d. The growing of tobacco, hemp, peanut, sesame, castor, beans, hop, sugar beet, fruits, vegetable, etc. and tussah silk culture will be encouraged for the betterment of agricultural management and the prosperity of farmers.

Stock-farming

Though the country is abundant in live-stock there is a vast number of inferior breed which lowers their value as resources. The chief concern in developing these resources will accordingly be to improve their stock, as well as to increase the number of such domestic animals.

Improvement and Increase of Domestic Animals

a. The existing breed of horses will be improved upon by introducing Arabs and Anglo-Arabs and other superior strains, as a result of which it is expected that at least 2,000,000 select breed will be obtained.

b. Merino will be introduced to improve the existing stock of sheep, and at least 4,000,000 of the present species are to be replaced by the improved variety.

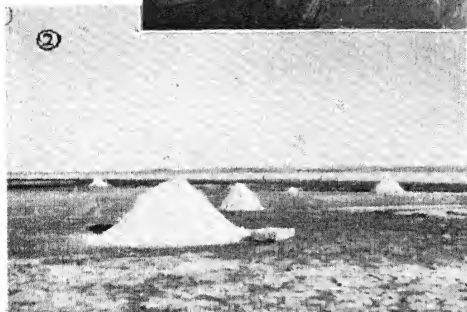
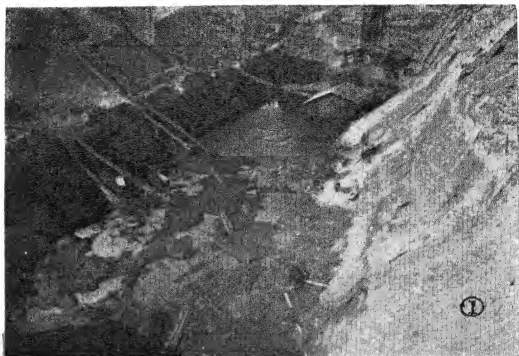
c. Cattle of superior quality will be increased by selecting at least 2,700,000 head.

d. Hogs will be improved chiefly by introducing Birkshire and their production will be increased to meet home consumption.

A system of live-stock hygiene will be established so as to contribute to the stabilization of stock-raising industry and increase live-stock resources. Pastures will be improved to increase the number of domestic beasts.

Complete statistics for live-stock and domestic animals in the entire land are still unavailable. According to figures estimated by the Department of Industry of the Government at the end of January this year, the number of live-stock and domestic animals in the sixty-one hsien (districts) out of 147 hsien of Fengtien, Kirin and Heilungkiang Provinces is as follows :

	Fengtien	Kirin	Heilungkiang	Total
Cattle.....	479,917	65,109	131,648	682,874
Horses	509,337	167,847	292,497	969,681
Mules	281,855	70,240	55,484	407,579
Donkeys	217,352	10,951	15,414	243,717
Sheep and Goats....	355,386	14,273	56,045	425,704
Hogs	2,072,422	335,574	202,674	2,610,670
Domestic fowls	4,982,647	701,580	558,826	6,243,053
Wild ducks	958,824	164,293	184,981	1,308,098
Geese	327,976	21,119	42,710	391,805



Hulunbair region in northwestern section of Manchoukuo is rich in natural resources. 1. Coal deposits. 2. Natural salt. 3. Mongol shearing sheep's wool.

First Crop Forecast of Farm Products of Manchoukuo

The first crop forecast of staple farm products of Manchuria for 1933 has been put at 18,192,000 metric tons in total, which, as compared with the output of the previous year, shows an increase by 2,829,000 metric tons or 18%, according to a joint investigation made in June this year by the Department of Industry of the Manchoukuo Government and the South Manchuria Railway.

Of this total, soya beans reach 5,166,000 metric tons, marking an increase by 898,000 metric tons or 21%, and kaoliang 1,043,000 metric tons, an increase by 178,000 metric tons or 5%. Classified by districts, North Manchuria's crop estimates reach 6,593,000 metric tons, and South Manchuria 9,146,000 metric tons, showing, respectively, increases by 2,452,000 metric tons and 377,000 metric tons, as compared with outputs of the previous year.

In North Manchuria, owing mainly to the devastation of farms by the flood in 1932, the area cultivated has decreased by 2.9%, as compared with that of the previous year. Favoured by moderate temperature early in spring, the sowing of the seeds was done satisfactorily as in normal years, while in May a high temperature and scarcity of rain caused a little damage to crops. As a whole, however, the forecast points to a normal harvest.

In South Manchuria, the area under cultivation is nearly the same as that of the previous year, although

there were changes locally more or less in the area owing to movements of farmers. The sowing of seeds this year was delayed by about a week, as compared with the normal year, hindered by a low temperature in early spring, while during the latter part of May crops were favoured with good rain, in spite of the dry weather which continued from early spring till the middle of May. Since June a dry season set in again and embarrassed farmers who are, however, looking forward to a normal yield this fall. The crop forecast is as follows:

	Area of Crops (Hectare)	Crop Forecast (Metric tons)	Compared with 1932 (Metric tons)
Soya beans ..	4,005,043	5,166,049	(+) 898,156
Other beans .	320,301	320,530	(+) 42,842
Kaoliang . .	2,548,272	3,908,132	(+) 178,768
Millet .. .	2,342,484	3,144,840	(+) 529,467
Maize . . .	1,027,245	1,738,795	(+) 196,952
Wheat .	1,468,381	1,717,812	(+) 584,732
Rice	70,230	132,592	(+) 22,817
Upland rice	101,609	141,087	(+) 3,773
Miscellaneous .	<u>1,297,182</u>	<u>1,921,783</u>	<u>(+) 371,394</u>
Total . . .	13,180,747	18,191,620	

Agricultural Management

The prevailing method of farming which requires the use of domestic beasts will be adopted as the basic form of management. This will be improved upon by cultivating new varieties of crops and by introducing various avocational enterprises and through the use of machinery.

Agricultural Establishments

a. With a view to promoting the prosperity of agricultural districts and increasing the economic resources of the peasant households, a system of agricultural associations will be organized to place their positions regarding production and consumption on a better basis, and secure unobstructed circulation of money. The various existing institutions in the rural communities will be perfected and stabilized.

b. In order to guide and stimulate agricultural industries, various experiment stations, organizations for the improvement of live-stock, research institutes for the prevention of cattle plague, grounds for experimental cultivation and seedlings and model forests will be established.

c. Scientific facilities for meteorological observations will be installed within five years from 1932.

d. A preliminary investigation will be made in respect to river improvements and irrigation works.

Lands

a. A survey of lands will be started immediately, land system established, and evils which attend the unscrupulous annexation of land will be prevented.

b. A special organ will be created for the cultivation of the untilled land, and within fifteen years about 12,250,000 acres of it will be developed by agricultural settlers.

2. Forestry

(1) The principal object of forestry in this country will be to restrict and control the indiscriminate felling of trees, and to protect and increase their production, as well as to preserve the productive capacity of forests through rationalized management.

(2) Any new grant of forest-ownership will be withheld for the time being. In the coming five years, all existing rights of forest ownership will be readjusted, while a basic survey will be conducted of the principal forests in this country, and the State forests determined so as to establish a basis for their rational management. Generally speaking, State forests should be administered by the Government, but in case of necessity, they may be managed otherwise. Public and private forests will be encouraged to conduct rationalized management under Government supervision. Afforestation will also be fostered with a view to developing the industry.

The species of timber are quite numerous. The useful varieties cover 21 different kinds. Needle-leaved species constitute 40% of the timber and Korean pine is most numerous followed by silver fir, Korean fir, spruce, and larch. Broad-leaved species comprise 60%, and Korean oak, birch, Amur lime, elm and willow are the principal species.

The area and the estimated quantity of standing timber in Manchoukuo, according to the recent investigation of the Statistics Bureau of the Government, are as follows :

	Forest area (Hectares)	Quantity of timber (Cubic metres)
Yalu Valley	896,000	100,927,323
Sungari Valley	1,425,000	243,464,067
Mutan Valley	629,000	117,256,518
Tumen Valley	826,000	117,103,287
Great Hsingan Range	13,889,000	1,559,888,579
Small Hsingan Range . .	9,920,000	974,930,362
Others	8,295,000	1,062,421,097
Total	35,880,000	4,175,991,233

3. Fishery

Fishery resources will be carefully fostered through culture increase, while any wanton catch will be prohibited in order to preserve their lasting utility.

There are various kinds of fish in Manchoukuo waters, namely: sea-bream, cod, hair-tail, "guchi," cybium nipponium, sole, halibut, sea-slug, sea-bass, rag, grey mullet, shark, gurnard, oyster, shrimp and others.

The output of sea-products caught in the Gulf of Pechili and along the coast of the Yellow Sea at the end of 1931 was valued at some 36,324,014 yuan, while that of fresh water fish caught in the Sungari River, the Nonni, Lake Hulun, the Amur, the Ussuri, the Yalu and the Liao at the end of 1932 amounted to some 32,260,000 catties valued at about 3,130,000 yuan.

Salt from such noted salt fields as Fuchouhsien, Chuangho and some others for the last three years were :

1930	1931	1932
4,502,69 piculs	3,336,275 piculs	3,700,856 piculs

The salt-manufacturing industry will be developed by adjusting and enlarging salt-fields upon the introduction of the five-year plan, which aims at the export of salt for industrial purposes to the amount of 500 million catties.

4. Mining

a. By unifying the various coal mines and rationalizing production and supply of coal, efforts will be made to supply the public with an ample quantity of the fuel at reduced prices, and also to augment its export.

b. As a rule the mining rights of mineral resources essential for national defence must be held by special corporations so as to prevent reckless and uncontrolled mining operations, and facilitate the opening of new pits.

c. Alluvial gold and gold mines will be classified into two, the one owned by the State and the other privately, the latter to be opened to public exploitation.

Iron and coal are important mineral products of Manchoukuo. Although complete official data are still lacking, the iron deposits are estimated at more than 1,299,470,000 metric tons and are located chiefly at Anshan, Miaoerhkou and Kungchangling in Fengtien Province. Coal ranks first among all mineral products, and its total deposits at Fushun, Penhsifu and at other coal fields are roughly put at 3,866,229,000 metric tons.

Deposits of other mineral products, according to latest investigations, show the following :

Limestone	1,711,200,000	metric tons
Oilshale	5,400,000,000	" "
Fireclay	78,000,000	" "
Placer gold	936,000	" "
Magnesite	736,690,280	" "

5. New Enterprises

Basic investigations in connection with various new enterprises have been completed, and efforts will be made to utilize their results in starting fresh enterprises, which will include, among others, the following (capital from both Manchuria and foreign sources):

1. The Manchou Petroleum, Co. to be established for developing petroleum enterprises.

2. The Manchou Colliery Co.—The concern will be established to unify the various collieries now in existence.

3. The Manchou-Japanese Magnesium Co. to be established to work the rich magnesite ores which this country possesses. A concern to undertake aluminium enterprise is also to be organized.

4. The Manchou Chemical Industry Co.—Factories to produce sulphate of ammonia have been established at Dairen.

5. The Manchou Electric Co.—to be established at Hsinking as a joint Manchou-Japanese enterprise in order to unify all electrical industries in Manchoukuo.

6. The Manchou Gold Mining Co.—to be established as a joint enterprise in order to control gold mines in Kirin, Heilungkang and Hsingan Provinces.

7. An alcohol factory will be established to control alcoholic enterprises in Manchoukuo.

Besides the above-mentioned enterprises, the following projects are expected to be materialized by various private groups in the near future: Cement factory, hemp dressing company, motorbus company, brewery, cattle breeding company, pulp factory.

The following enterprises are also under contemplation:

1. A lumbering concern;
2. A hypothec bank;
3. A salt refinery;
4. A pharmaceutical company.

Foreign Investments

As up-to-date statistics regarding capital invested in Manchuria by foreign countries are unavailable, we have to give the figures as they stood at the beginning of 1931 from a report of the Research Office of the S.M.R. Co., which may give some idea of the amount and its distribution by nations.

Foreign Investments in Manchuria

	(G.¥1,000)	
Japan	1,616,966	70.45%
Soviet Union (Russia)	590,000	25.71%
Great Britain	39,590	1.73%
U. S. A.	26,400	1.15%
France	21,086	0.92%
Sweden & Denmark	1,007	0.04%
Total	2,295,049	100 00%

Section V.

Trade

Since Manchoukuo is essentially an agricultural country, commerce was developed only during the last few decades, while manufacturing industries have come to flourish through the introduction of foreign capital.

For the development of trade and commerce, the Government has mapped out the following policy :

(a) Every assistance and encouragement will be given to general commerce, and its prosperity will be enhanced by securing smooth transactions and finding markets for Manchurian products in all parts of the world. In this respect, the desirable traits of Manchurian merchants will be further encouraged while old conventions which require reform will be rectified so as to rationalize business transactions. The supply and prices of the necessities of life and other articles which have important bearings upon national life will be properly regulated.

(b) Laws governing patents and trade marks will be promulgated, and rights of "industrial ownership" protected. Regulations governing deposit or trust and insurance will likewise be enacted, weights and measures will be unified, the system of produce exchanges will be improved, and in general advanced facilities in regard to commercial transactions will be instituted.

(c) The tariff policy will be designed to promote foreign trade and international transactions.

1. Foreign Trade

The growth of the foreign trade of Manchuria, including trade with China, since 1908 immediately after the Russo-Japanese War, may be shown by the following table :

(Unit: HK. Tls 1000)

Year	Exports	Imports	Total	Balance
1908 .	47,585	53,112	100,697	(-) 5,527
1929	400,323	307,542	707,865	(+) 92,781
1930	373,910	285,737	659,647	(+) 88,173
1931 .. .	460,164	209,524	669,688	(+)250,640

Thus the figures for 1929 were approximately seven times those of 1908, and those of 1930 and 1931 six times. It is noteworthy that whereas in 1908 Manchuria had an adverse trade balance of HK. Tls. 5,527,000, in 1931 she had a favourable balance of HK. Tls. 250,640,000.

Since the founding of the new State of Manchuria, the foreign trade of the country has been unusually brisk, which fact can be learned from the figures for the first quarter of this year :

(Unit: M ¥ 1000)

	Exports (net)	Imports (net)	Total	Balance
Jan.	45,759	39,975	85,734	(+) 5,784
Feb.	45,116	36,947	82,063	(+) 8,169
Mar.	35,557	39,931	75,488	(-) 4,374
Total	126,432	116,853	243,285	(+) 9,579

Trade by Countries

(Jan.—Mar., 1933)

(Unit: M.Y 1000)

	Exports	Imports	Total	Balance
Japan	55,524	67,878	123,402	(+) 12,354
Korea	8,782	5,451	14,233	(+) 3,331
China	8,684	18,539	27,223	(-) 9,855
U S S R (Asia) ..	6,290	2,115	8,405	(+) 4,175
Hongkong .. .	1,690	2,269	3,959	(-) 579
Br. India	—	4,661	4,661	(-) 4,661
Dutch E. Indies	1,609	223	1,832	(+) 1,386
Gr. Britain . . .	1,319	1,653	2,972	(-) 334
Franco	573	166	739	(+) 407
Germany	21,190	1,800	22,990	(+) 19,390
Belgium	62	165	227	(-) 103
Netherlands ..	1,085	42	1,127	(+) 1,043
Italy	642	191	833	(+) 451
U. S. A.	1,505	7,190	8,695	(-) 5,685
Others	17,477	4,509	21,986	(+) 12,968
Total	126,432	116,852	243,284	(+) 9,580

As shown in the above table, Japan inclusive of Chosen or Korea ranks foremost in the total trade with the largest share of 56%, followed by China and Germany which respectively share 11% and 9%, while Great Britain (inclusive of Hongkong and India) stands fourth in the list with 4%, followed by the U.S.S.R. which shares 3%.

In exports alone Japan (inclusive of Chosen) heads the list with 50% of the total, followed by Germany and China respectively with 16% and 7%, while U.S.S.R. stands fourth with 5%. In imports Japan (inclusive of Chosen) again is the first with 62%,

followed by China and Great Britain (inclusive of Hongkong and India) respectively with 15% and 7%, and U.S.A. fourth with 9%.

Values of Staples, Exports and Imports

(Jan —Mar., 1933)

(Unit: M. ¥ 1000)

Exports	Unit	Quantity	Values
Soya beans	piculs	12,537	14,561
Other beans	"	498	3,079
Millet	"	749	4,059
Kaoliang	"	412	1,412
Ground nuts.....	"	216	2,086
Hemp seed	"	227	1,193
Perilla seed	"	216	1,422
Bean oil	"	532	7,451
Wild raw silk	catties	593	2,392
Cotton yarn	piculs	27	1,942
Coal	tons	1,084	12,015
Pig iron.....	piculs	3,027	3,586
Bean cake	"	5,729	19,460
Imports			
Wheat flour	piculs	2,222	20,448
Sugar	"	377	3,613
Tobacco leaf	"	71	2,854
Kerosene oil	Am gal	2,221	1,728
Gasoline, Benzine, etc. . .	"	1,859	1,598
Raw cotton	piculs	63	3,205
Cotton Yarn	catties	4,606	1,805
Cotton piece goods	"	—	19,232
Silk piece goods.....	"	—	2,034
Woolen piece good	"	—	2,712
Gunny bags.....	piculs	241	6,012
Paper	"	—	2,117

Iron, steel.....	”	—	5,357
Machinery and tools.....	”	—	1,512
Vehicles.....	”	—	4,268

The trade figures for the second quarter of 1933 are announced as follows :

(Unit: M.¥ 1000)

	Exports	Imports	Total	Balance
April	39,756	45 551	85,307	(-) 5,795
May	33,429	36,084	69,513	(-) 2,655
June	35,742	31,860	67,602	(+) 3,882
Total . . .	108,927	113,495	222,422	(-) 4,568

As compared with those of the first quarter of the current year, the above figures show a decrease by M.¥17,505,000 in exports, M.¥3,358,000 in imports and M.¥20,863,000 in total, while the favourable balance since January up to and including June is over M¥5,000,000 indicating a sound growth of the foreign trade of this country. A word may be necessary in this connection to emphasize that trade relations between this country and China have almost recovered, the amounts in June this year being M.¥4,550,000 in exports and M.¥4,400,000 in imports.

2. Domestic Commerce

Hand in hand with foreign trade, domestic trade, too, has witnessed a steady advance under the new reign. The system of “Tsai-tung” and the credit system, in particular, have made good progress. “Tsai-tung” system wherein a capitalist invests his

money in different kinds of enterprises radiating in all directions, enables him not only to control all the enterprises, but also to keep them in close harmony with one another. The growth of the credit system has greatly encouraged dealings on long credit, and has led to the practice of settling accounts in May, August and December of the lunar calendar each year.

The Government contemplates the improvement of the business situation through the Central Bank of Manchou and by other adequate measures. The basic policy of the Government is to prevent the prosperity of any one particular class or group or the monopoly of interests by a single capitalistic coterie, as was the case under the former regime. All future plans will be evolved for the true economic development and prosperity of all Manchoukuo. For the investment of foreign capital in various industries, Manchoukuo will, of course, open her doors, as she has already repeatedly declared, but this does not imply that Manchuria may be made a battle-ground for international capitalistic rivalry or controversy. The prosperity of all races in the State and the welfare of all mankind are the basic aims underlying Manchoukuo's industrial program.

3. Customs System

With the recent taking over of the control of Customs stations at Pogranichnaya and Heiho, the network of Maritime Customs of Manchoukuo has been completed. Establishing a Customs branch at Shan-

haikwan in September last, the Government safeguarded the trade route to China, while many other Customs branches and sub-stations have been opened to facilitate commercial relations between this country and foreign lands. The present network of Customs is as follows:

- (1) Dairen Customs.—Branch offices at Lushun (Port Arthur), Pulantien, Chuangho and Tahu-shan and four sub-stations (at Chinchow and other places).
- (2) Harbin Customs.—Branch offices at Suifenho, Tungkiang, Taheiho and Manchouli and sub-stations at Aigun and Fuchin.
- (3) Antung Customs.—Six sub-stations (at Tatungkuo and other places).
- (4) Yingkow (Newchuang) Customs.—Branch offices at Mukden and Fuchowwan.
- (5) Shanhaikwan Customs (Branch of Yingkow Customs).—Branch offices at Sihaikow, Chiehlingkow and Lingkow.
- (6) Tumen Customs.—It is planned to establish a Customs house at Tumen, and the present Customs at Hunchun will be reduced to the status of a branch of the Tumen Customs which will control about eleven sub-stations in the surrounding district.
A customs office will also be established at Chengte, capital of Jehol.

Chapter V

Communication and Transportation

Systematic and organic expansion of the various means of transportation and communication is receiving the enthusiastic attention of the authorities since their proper adjustment constitutes the most important factor in the foundation work of economic construction, as well as in the development of agriculture, which is the backbone of national economy, and of other natural resources, in the preservation of peace and order, in bringing prosperity to commerce and trade and promoting commercial intercourse with foreign countries.

Section I

Railways

In the construction of railways, the primary object for this nation will be the development of the economic wealth of the land. The safety of national defence and the maintenance of public peace will also be given due consideration.

The total length of railways, when completed in the future, will reach 25,000 kilometres. In the next ten years, 4,000 kilometres of new lines will be laid, making a total of 10,000 kilometres by adding the existing railways.

Conditions in Manchoukuo until recently, however, were such that the net-work of railways had not yet been fully extended while the separate existence of various minor railways necessitated diverse methods in management entailing serious losses. For this reason, it was imperative that these existing lines be unified and their management rationalized with a view to promoting the economic and technical efficiency. In attaining this objective, the authorities were of the opinion that it was most appropriate to assign the task to the South Manchuria Railway Co., which possesses a long and continued experience in railway operation in Manchuria. Furthermore, such a proposal would be mutually advantageous in settling the enormous amount of obligations which Manchoukuo owes to that concern in connection with railway lines in this country, and for that account a contract was entered into between the Government of Manchoukuo and that railway firm early in 1933 whereby the latter was commissioned to manage the different railways of this State. Such an arrangement, moreover, is in accord with the object of the stipulation contained in Paragraph II of the Manchoukuo-Japan Protocol providing for the co-operation of the two nations in the matter of defence.

The substance of this contract may be summarized as follows :

“The Government of Manchoukuo has decided to fix the total amount of obligations relative to the railways already opened to traffic due to the South-

Manchuria Railway Co. at G.Yen 130,000,000, the railways involved being the Kirin-Changchun, Kirin-Tunhua, Kirin-Hailung, Ssupingkai-Taonan, Taonan-Angangchi, Taonan-Solun, Tsitsihar-Koshan, Hulun-Hailan (including a portion of the water transport enterprise on the Sungari River), Mukden-Hailung, and Mukden-Shanhaikwan (including the Tahushan-Tungliao line and its subsidiary harbours). The total of the said loan is to be secured on the entire property and receipts of the aforementioned railways whose management is to be entrusted to the S.M.R. Co.

“In respect of the claims and obligations relative to railways existing between the Manchoukuo Government and any third party other than the S.M.R., they shall be settled by the S.M.R. upon consultation with the Government. In case payment is required in connection with this matter, it shall be effected from the receipts of the aforementioned commissioned railways. The funds necessary for the redemption of the loan of the British and Chinese Corporation secured on the Mukden-Shanhaikwan line shall also be derived from the same source. That portion of the Mukden-Shanhaikwan line relating to the British and Chinese Corporation loan shall be excluded from the mortgage for the present railway contract pending the settlement of the said Corporation loan.

“In addition, the Government of Manchoukuo has granted to the South Manchuria Railway Co. the contract for the building of the Tunhua-Tumenkiang

Railway, the Lafa-Harbin Railway, and the Taitung-Hailun Railway lines. The total cost for the construction of these lines is estimated at G.Yen 100,000,000.

“ In the construction of the Tunhua-Tumenkiang Railway, the Manchoukuo Government, in view of the need of purchasing the Tienpaoshan-Tumen Light Railway, has borrowed the sum of G.Yen 6,000,000 from the S.M.R., and has also entrusted the management of the said Light Railway to the S.M.R.”

Upon completion of the loop railway line of North Korea between Kainei and Nanyang (a portion between Kainei and Shoji is already completed) in the near future, the long pending through railway service between Hsinking and Seoul, capital of Chosen, will be opened, while the completion of the Hsinking-Kainei Railway will likewise be an epoch-making event, greatly facilitating communication between Japan ports and Manchoukuo. From Osaka to Hsinking there are four routes to be available at present as follows :

- (a) Osaka-Tsuruga-Seishin-Hsinking Route : 1,717 kilometres ; time required for passengers, 66 hr. 40 min. and for freight, 6 days.
- (b) Osaka-Fusan-Antung-Hsinking Route : 2,318 kilometres ; time required for passengers, 52 hr. 50 min. and for freight, 8 days.
- (c) Osaka-Fusan-Genzan-Hsinking Route : 2,664 kilometres ; time required for passengers, 71 hours, and for freight, 8 days.

- (d) Osaka - Dairen - Hsinking : 2,326 kilometres ;
time for passengers, 81 hours and for freight,
7 days.

The business returns of railways in Manchoukuo for 1932 were as follows :

Railways	Length (kilometres)	Passen- gers	Freight (metric tons)	Revenues (M ¥)
Mukden-Shanhaikwan	887.1	1,931,612	779,850	9,181,395
Mukden-Hailung .	319.0	825,515	854,262	6,283,552
Kirin-Hailung . .	183.4	180,895	294,508	661,570
Hsinking-Tunhua	348.1	1,110,508	1,564,131	5,721,056
Ssupingkai-Taonan	426.0	581,486	1,277,186	11,233,147
Taonan-Angangchi .	225.0	307,325	881,953	4,480,157
Taonan-Solun ..	87.2	15,863	9,292	41,124
Tsitsihar-Koshan . .	235.0	303,520	830,813	2,565,092
Hulan-Hailun	221.0	353,205	433,312	3,341,611
North Manchuria Ry	1,727.0	280,005	?	?
Kaiyuan-Hsifeng .	64.0	19,773	130,113	724,721
Penchi-Niuhsintai .	24.0	—	37,503	46,184
Tienpaoshan-Tumen ..	112.0	—	—	—
Tsitsihar-Angangchi .	29.0	—	—	—
Chinchow-Chengtzutung	102.1	120,298	65,613	241,192
S M. R. . .	1,129.1	6,231,846	15,180,586	87,933,218
Haolikang Ry.	56.0	—	—	—
Muling Ry	63.0	—	—	—

Section II

Highways and Roads

Besides railways, highways are important for national defence and for preserving peace and order in the country. With this in view the Manchoukuo Government intends to build or improve highways

connecting principal cities and hsien (district) towns, and such other roads as may be necessary for opening up backward regions and for defence purposes.

The roads of Manchoukuo are still in a primitive stage. Those available for motor traffic total about 13,200 kilometres throughout the entire country. The following 10-year program for the construction of a network of highways has been mapped out by the Government's State Highways Bureau at the estimate of 85,000,000 yuan :

- (a) Highways extending about 15,200 kilometres to connect Hsinking and principal cities or ports.
- (b) Highways extending 15,200 kilometres to connect the provincial cities, local towns and railway stations.
- (c) Highways 19,600 kilometres in length to connect the principal cities and local towns.

These projected highways will be so built as to be available both for motor cars and wagons or carts.

Section III

Water Transportation

In this connection the Government contemplates the following :

- (a) Besides the harbours in this country, those in adjacent countries will be effectively utilized in order to accelerate the economic development of Manchoukuo

and to effect a most economical connection between the producing districts and sea-ports.

(b) Necessary improvements will be made on the harbours of Yingkow (Newchwang) and Antung.

(c) The harbour works of Hulutao will be completed as the demands of economic necessity will become pressing in the future.

(d) In maritime transportation, the perfection of coastwise services will be sought first. The ocean services will also be attended to in order that they may be developed as speedily as possible.

(e) In view of the important nature of rivers, transport facilities on the Amur, Sungari, Yalu and Liao Rivers will be promoted.

Section IV

Posts and Telegraphs

Postal and telegraphic services in interior Manchuria are as yet not quite up to the desired standard, although the communication network in the Kwantung Leased Territory, the railway zones of the South Manchuria Railway and the North Manchuria Railway is comparatively well laid out. Generally speaking, communication is of a very primitive kind with frequent delays and interruptions as a result of poor line construction and equipment.

After taking over the postal administration in the country from the old regime on April 24, 1932, and

having applied for membership in the International Postal and Telegraph Unions, the Manchoukuo Government issued its own postage stamps on August 1st, 1932, which are at present widely used. At present there are 313 Manchoukuo post offices, including branch offices, (9 first, 110 second, and 154 third class) throughout the five provinces, besides 708 agencies.

The Government intends to perfect the communication services according to the following programme :

(a) The unification and the linking up of the communication services within the country will be given primary consideration while connection with foreign countries will also be perfected.

(b) Telegraph and wireless services will be operated under unified management ; principal economic lines and their feeder lines will be improved and extended ; telephone installations in principal cities and equipment for radio broadcasting will likewise be bettered and enlarged.

With this policy in view, the Manchoukuo Government, in agreement with the Japanese Government, recently established the Manchuria Telegraph and Telephone Co. as a joint Manchou-Japanese concern with a capital of G.Yen 50,000,000. The concern is to control and manage all telegraph and telephone enterprises in the territory of Manchoukuo, Kwantung Leased Territory and the S.M.R. Zone, including the following activities :

(a) Unification of all telegraph and telephone services, wire and wireless.

- (b) Unification of all enterprises for wire and wireless transmission of photographs.
- (c) Unification of all radio-broadcasting services.
- (d) Management of all kinds of business collateral to the aforementioned enterprises.

Article I of the agreement governing the above and duly signed on March 26th, 1933, between the plenipotentiaries of the Manchoukuo and the Japanese Governments reads in substance :

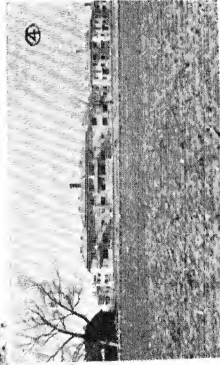
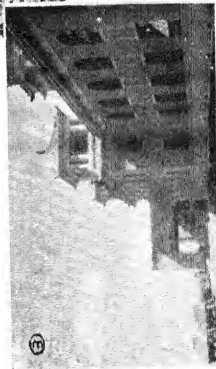
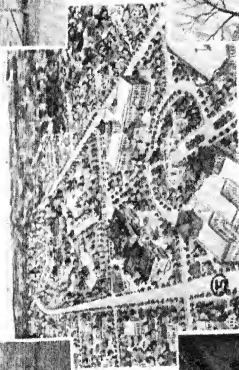
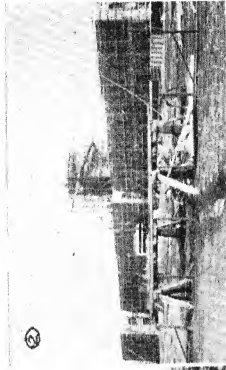
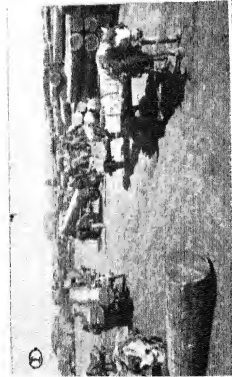
“The Governments of Manchoukuo and Japan will co-operate for the establishment of a Manchoukuo-Japanes joint corporation and place the wire and wireless electrical communication services in the Kwantung L. T., the South Manchuria Railway Zone and in the region under the jurisdiction of Manchoukuo under the management of the corporation. It is to be clearly understood that the said electric communications do not include those belonging exclusively to the Military and Police, Government offices, railway and aeronautical enterprises.”

The company was expected to open its business on September 1, this year.

Section V

Air Service

In view of the ever progressing tendency of air transport, Manchoukuo will direct its efforts towards the encouragement of this enterprise. The Manchuria



Capital Construction Work Progressing at Hsinking. 1. Horse carts carrying logs. 2. New Government building (Dept. of Education) under construction. 3. Department of Justice housed in a newly completed building. 4. Apartment houses for Government officials. 5. A portion of Hsinking as it will appear in the future. Shuntien Circle around which the Chief Executive's Office and some of the Central Government Offices will be erected.

Aeronautic Co. which is equipped with superior aeroplanes and technical skill, is at present operating this service. About 3,500 kilometres of air routes will be opened in the next three years, while new air lines will be established in the future connecting Europe and Asia, as well as the various parts of the Far East. At present the firm is engaged in carrying passengers, general cargo and postal matters on the following routes :

Antung-Mukden	Route	210 kilometres
Shingishu-Dairen	"	280 "
Mukden-Chinchow	"	220 "
Mukden-Dairen	"	355 "
Mukden-Hsinking	"	275 "
Hsinking-Harbin	"	235 "
Harbin-Tsitsihar	"	275 "
Tsitsihar-Manchouli	"	540 "

The Antung-Mukden route is regularly connected with the Japanese route via Seoul, Korea. In addition the Hsinking-Lungchingtsun route, 2,125 kilometres in length, and the Tsitsihar-Heiho route, 2,100 kilometres, were opened to traffic on July 10, 1933.

Chapter VI

Labour and Immigration

Section I

Labour Situation

Official investigations regarding the labour situation since the inauguration of the new regime are as yet incomplete. The 1931 edition of the "North-Eastern Year Book," published by the old administration may give us some idea of the number of working people in Manchuria. The figures are as follows :

	Fengtien	Kirin	Heilung- kiang	Jehol	Total	%
Agriculture.	6,675,430	2,447,100	1,487,020	1,270,256	11,879,816	68.3%
Industry ..	756,377	1,160,559	146,474	105,414	2,168,804	12.5%
Commerce.	934,987	257,389	182,719	132,246	1,507,341	8.7%
Education and Science	724,051	389,055	186,350	46,331	1,344,787	7.7%
Military .	178,791	86,574	33,876	37,936	337,177	1.9%
Politics Government	94,551	39,038	16,137	14,872	164,598	0.9%
Total.. ...	9,364,187	4,379,695	2,052,576	1,606,055	17,402,513	100%

The above table reveals, among other things, that out of the 17,402,523 workers, those engaged in agriculture reach 68.3%, or more than two-thirds of the total under investigation.

Classified by nationalities, according to the same source investigated in the limited areas of the Kwantung Leased Territory, S.M.R. Zone and Japanese Consular jurisdiction districts, it is shown that manual labourers are recruited almost entirely from Manchurian or Chinese sources, the number of workers of other nationalities being exceedingly few. The statistics for 1930 for the said areas are as follows :

				Total
Japanese	Male	111,488	16.7%	215,463
	Female	103,975		
Koreans	Male	9,340	1.4%	17,695
	Female	8,355		
Chinese	Male	654,568	81.7%	1,055,550
	Female	400,982		
Others	Male .. .	1,382	0.2%	2,503
	Female .	1,121		
Total	Male	776,778	100%	1,291,211
	Female ..	514,433		

Wages of workers during April, 1933, in the principal cities were as follows (per day):

Wages of workers during April, 1933, in the principal cities (Unit. M.Y)

Workers	Nationality	Hsinking	Mukden	Dairen	Antung	Yingkow	Kirin	Harbin	Tsitsihar
Carpenter	{ Manchurian...	1.80-1.30	1.20-1.10	1.50-1.00	1.20-0.90	1.00-0.90	1.50	1.80-1.20	3.00-2.50
	{ Japanese	4.00-3.00	2.70-2.40	4.50-2.50	2.00-1.80	—	3.50	5.00-3.00	3.50-3.00
Plasterer	{ Manchurian...	1.80-1.30	1.30-1.10	1.55-1.15	1.20-0.70	1.00-0.90	1.50	1.80-1.20	3.50-3.00
	{ Japanese	—	2.50-2.30	4.00-3.00	2.00-1.80	—	3.50	5.00-3.50	4.00-3.50
Blacksmith	{ Manchurian...	1.50-0.80	1.20-0.75	1.87-0.48	2.00-1.48	1.40	1.50	1.90-1.25	3.50-3.00
	{ Japanese	2.50-1.80	2.90-2.50	4.18-1.57	4.00-1.80	—	2.50	6.00-3.50	4.00-3.50
Tinsmith	{ Manchurian..	2.00-1.20	1.50-1.30	1.50-1.00	1.20-0.50	0.40-0.30	1.50	1.20-0.80	3.00-2.50
	{ Japanese	5.00-4.50	2.50-2.30	4.00-2.50	2.50-1.00	—	2.00	4.00-2.50	—
Mason	{ Manchurian..	1.80-1.50	1.50-1.30	1.50-1.20	1.00-0.30	1.40	1.50	2.40-1.80	3.00-2.50
	{ Japanese	—	—	4.00-3.00	3.00-1.50	—	2.80	6.00-3.50	4.00-3.50
Sawyer	{ Manchurian...	—	1.60-1.30	1.80-1.40	1.50-0.80	1.40	1.50	2.40-1.80	3.00-2.50
	{ Japanese	—	—	—	3.00-1.50	—	2.50	—	4.00-3.50
Coolie	{ Manchurian. 0.65	0.55-0.45	0.90-0.50	0.60-0.50	0.60-0.50	0.60-0.50	1.00	1.00-0.60	1.50-1.00
	{ Japanese	—	—	—	1.50-1.00	—	1.50	3.00-1.50	2.00-1.50
Shoe-maker	{ Manchurian... 1.90-1.30	1.00-0.50	2.00-1.00	0.70-0.40	0.50-0.40	0.50-0.40	0.66	1.50-1.00	2.50-2.00
	{ Japanese	2.50	2.40-1.90	3.00-2.00	1.50-0.70	—	2.80	5.00-3.50	—
Tailor	{ Manchurian..	3.00-2.00	1.00-0.50	2.00-1.60	1.00-0.40	0.66-0.53	0.66	3.00-2.00	3.00-2.50
	{ Japanese	3.50-2.50	3.00-2.50	3.00-2.25	2.00-1.50	—	2.00	5.00-3.50	—
Printer	{ Manchurian.. 1.20-0.85	0.80-0.40	2.47-0.38	0.60-0.50	0.60-0.50	0.60-0.50	0.93	2.00-1.50	3.00-2.60
	{ Japanese	3.00	—	4.87-0.75	1.54-1.90	—	—	5.00-3.50	4.00-3.50

In Manchoukuo there are no well-organized trade unions or labourers' association in the modern sense of the term. Labour organizations, however, such as "Kungsu", "Huikwan", or "Pang" and others have existed since olden times for labourers engaged in the same line of occupation or for those who came from the same native place. In Mukden and other centres of industries, there are native workers' associations or guilds such as dyers' association, barbers' association, printers' association, shoe-makers' association, bath-house association, etc.

Section II

Immigration

(a) **Chinese Immigrants.**—Chinese immigration to Manchuria can be traced back to A.D. 1734, when the Ching Emperor stationed a few units of native Manchurian "banner-men" at Hulan, Heilungkiang, to cultivate farm-fields. Eventually, new enterprises attracted Chinese peasants and coolies, particularly those from Shantung and Hopei Provinces, who made a heavy influx to the Hulan district and other rich regions of Manchuria during 1860-1887. Upon the completion of the North Manchuria Railway (former Chinese Eastern Railway) followed by the subsequent inflow of foreign capital and the gradual expansion of markets of Manchurian products abroad, the number of Chinese labourers coming to Manchuria increased by leaps and bounds.

Since that time, Chinese labour has been greatly in demand owing to the development of various enterprises, including farming, mining and manufacturing. Moreover, the civil disturbances in North China forced the inhabitants there to flock to the flourishing districts of Manchuria, away from civil war, banditry and squeeze of militarists. Thus the Chinese labourers who first immigrated seasonably to Manchuria gradually turned out to be permanent settlers.

The number of Chinese who migrated to and settled in Manchuria recently, according to investigations by the S.M.R. Co., is as follows:—

	Entering Manchuria	Leaving Manchuria	Balance	% of Settlers
1923.....	392,286	286,765	105,521	26.9
1924.....	429,254	232,720	196,534	45.8
1925.	490,142	214,517	275,595	56.2
1926	592,343	299,392	292,951	49.5
1927..	1,050,828	341,599	709,229	67.5
1928... ..	938,472	394,247	544,225	58.0
1929.... ..	1,046,291	621,897	424,394	40.5
1930.....	748,213	512,793	235,420	31.6
1931.....	467,402	461,339	6,063	1.3
1932 . . .	414,034	498,783	- 84,749	- 24.0
Total	6,569,265	3,864,082	2,705,183	41.0

For some time during the period of unrest following the September incident, 1931, immigration from China naturally decreased. Exact figures for 1931 and 1932, therefore, are unobtainable. Beginning with the spring of 1933, when building and other constructive activities were started, after the completion of the pacification

campaign, Chinese coolies from North China again sought entrance into this country and that despite Kuomintang propaganda that Chinese would be mistreated in Manchuria. At least 30,000 such coolies entered this country monthly between January and July inclusive 1933, the total reaching 211,200. During the same period about 152,900 Chinese left Manchuria, leaving a net sum of 58,300.

Districts where the Chinese immigrants settled during 1929 and 1930 were as follows :

	1929	1930
South Manchuria	175,000	122,000
(1) Mukden-Hailung Railway district ..	65,000	44,000
(2) Ssupingkai-Taonan-Angangchi Railway district and hinterland	30,000	25,000
(3) Mukden-Shanhaikwan Railway district..	10,000	—
(4) Western and northwestern districts of Hsinking.	10,000	5,000
(5) Yalu River Valley	25,000	15,000
(6) Hsinking-Kirin-Tunhua Railway district and hinterland . .	35,000	33,000
North Manchuria	389,000	235,000
(1) North Manchuria Railway, southern district and hinterland	1,828	—
(2) Harbin and its vicinity	9,297	28,200
(3) North Manchuria Railway, eastern district and hinterland ..	72,587	25,850
(4) Lower Sungari River district	128,409	51,700
(5) Hulan-Hailun Railway district and hinterland	39,095	32,900
(6) North Manchuria Railway, western district and hinterland	100,557	89,300
(7) Amur and other districts	37,227	7,050

(b) **Korean immigrants.**—History tells us that the Kaoli tribe, a stock closely related to the Koreans, once inhabited the southern district of Manchuria. At present there are many Koreans living in the Chientao district (Kirin), Heilungkiang and Fengtien Provinces where they are mostly engaged in rice-cultivation and have done a great deal towards the development of rice growing industry of this country. In 1932 the total number of Koreans in North and South Manchuria was between 740,000 and 770,000, of which some 400,000 were living in the Chientao district and the rest mostly along the South Manchuria Railway line and its hinterland.

(c) **Japanese immigrants.**—Japanese immigrants to Manchuria hitherto have settled only in the limited area of the Kwantung Leased Territory in small groups but without any success worth mentioning. With the birth of the new State of Manchuria, the Japanese authorities, in view of the gravity of over-population in Japan and for the development of natural resources of this country, commenced to encourage emigration on a large scale, with the consent and cooperation of the Manchoukuo authorities.

Under the auspices of the Overseas Department of the Japanese Government, some 470 Japanese farmers immigrated to the Chiamusu district, Kirin Province, in 1932, while another 500 arrived in the same district during July this year. It is also expected that about 300 Japanese will be settled in the district of Lake



Arbor Day in Hsinking. Manchoukuo observed its first Arbor Day on Apr. 20, 1933, when the Minister of Industry, Mr. Chang Yen-ching (man with spade) and large numbers of school girls took an active part in the ceremony.

Hanka, Kirin Province, in the near future. The Japanese authorities, it is said, are contemplating to send over some 500,000 settlers to this country during the next fifteen years.

Chapter VII

Educational and Social Enterprises

Section I

Education and Religion

1. Education.—Heavy taxation imposed by militarists and depredations and outrages by bandits, disabled the people under the former regime from maintaining a proper school system. Accordingly, the first step taken by the Manchuokuo authorities was to reopen the schools which had been closed on account of financial reasons and social disorder, as a result of which satisfactory progress is being made in the field of primary education. The Government is endeavouring to train a great number of qualified teachers who thoroughly understand the spirit and policies of the new State, and who are thus free from the taint of malicious anti-foreignism which the Kuomintang implanted in the hearts of school teachers and students before. A new curriculum has been drawn up, while new textbooks are likewise being compiled so as to ban all anti-foreign sentiments from the schools and uproot the cult of "hatred" fostered by the former administrators.

About ninety percent of the people of the State are still illiterate. Although the old regime gave some thought to education, it lacked funds to maintain schools, for over 80% of all the revenues were allocated for military expenditures. Moreover, the ideas injected

into the school books by the Nanking Government had transformed the educational system into an organ of political propaganda and hotbed of anti-foreign sentiments.

Formerly, teachers of the primary schools were very poorly educated; the majority had not even completed the middle school course. Because of their relationship to or influence with the authorities, or their urgent need of gaining livelihood, they took up teaching as a mere stepping-stone to the acquisition of wealth and power.

These corrupt conditions are being completely changed by the new Government. The teachers are properly treated and protected; school equipment and apparatus which were very poor under the old regime are being improved; the authorities are also endeavouring to reform the middle schools along modern lines and thus lay a solid foundation for the development of higher educational institutions.

The number of schools and students in Manchoukuo, excluding those maintained by the Japanese and other foreigners, according to a survey conducted in July, 1933, by the Department of Education, revealed the following :

Grade of schools	Number of schools	Number of students
Primary schools	12,877	460,633
Middle schools	269	27,882
Normal schools	131	8,068
Vocational schools	67	5,069
Colleges and Universities	8	2,121
Total	13,352	503,773

The number of popular educational institutions and libraries maintained by the Manchurians is as follows :

Popular schools	Popular Educational Institutes	Lecture Halls
108	41	24
Libraries	Newspaper Reading Rooms	Museums
65	28	2

Schools maintained by the Japanese to educate both Manchurians and Japanese in the Kwantung Leased Territory and the S.M.R. Zone are as follows :

Grade of schools	No. of schools	No. of students
Primary schools . . .	191	73,226
Middle schools . . .	9	4,639
Girls' High schools . .	11	4,735
Normal school for girls .	1	42
Vocational schools	6	2,276
Blind and Deaf schools .	1	39
Colleges	3	1,198
Total	222	86,155

2. Religion.—Religions in Manchoukuo include both native cults and religions introduced from Japan and other foreign countries.

Native Religions. — There are various sects and denominations in the native religions, and each of them is intimately bound up with the social and political life of the people. Religious buildings are popularly called “ miao ” (shrines), or “ ssuyuan ” (temples). Native shrines, temples and churches in this country at the end of 1932 numbered as follows :



A Typical Manchurian Bride.

Religions	Shrines, Temples, Churches	Followers
Buddhism	793	756,496
Taoism	488	37,134
Mohammedanism	150	151,197
Lamaism	28	3,458
Roman Catholicism	121	64,263
Protestantism	234	32,193
Total	1,814	1,044,741

Besides the above, there are 35 “Wen-miao” or Confucian shrines in Fengtien Province, 15 in Kirin Province and 12 in Heilungkiang Province.

Hungwantzchui or Red Swastika Society which is also regarded as a sect of Taoyuan exercises considerable influence over the Manchurians.

Religions among the Japanese.—There are various sects and denominations of Shintoism, Buddhism and Christianity, practised by the Japanese. Buddhism has the strongest influence, with many temples, followed by Shintoism and Christianity.

Religions among other foreigners.—When the first Christian missionaries, mostly Danish and French, settled in this country, they found it very difficult to cultivate the new field. At present various districts of this country are dotted with Roman Catholic churches, as well as with Protestant churches established mostly by British and American missionaries, particularly by Americans.

8. Press.—Leading Newspapers and News Agencies in Manchoukuo July, 1933.

Manchurian Newspapers:

Name	Published at	Publishers or Editors	Language
The Taya-Kungpao	Mukden	Wang Hsi-che	Manchurian
The Shing-Shipao	"	Chang Chao-lin	"
The Tungya-Jipao	"	Ting Shio-tung	"
The Ta-tung-pao	Hsinking	Wang Hsi-che	"
The Kirin-Jipao	Harbin	Chao Lung-fu	"
The Harbin-Kungpao	Kirin	Kwan Hung-yi	"
The Tapei-Hsinpao	"	K. Yamamoto	"
The Kuochi-Hsiepao	"	Chang Fu-sheng	"
The Kungpao	"	Kwan Hung-yi	Russian
The Heilungkiang-Minpao	Tsitsihar	S. Ogasawara	Manchurian

Manchurian News Agency:

Name	Published at	Publishers or Editors	Language
The Manchoukuo News Agency	Hsinking, Branches at Mukden, Kirin, Harbin, Dairen, etc.	Manager H. Satomi	Language Manchurian Japanese and English

Japanese Newspapers:

Name	Published at	Publishers or Editor	Language
The Manshu Nippo	Dairen	O. Matsuyama	Japanese
The Taitung Jipao	"	S. Abe	Manchurian
The Dairen Shimbun	"	K. Hojo	Japanese
The Manchou-Pao	"	A. Nishikata	Manchurian
The Manchuria Daily News	"	Y. Takayanagi	English
The Anto Shimpo	Antung	A. Kawamoto	Japanese
The Shengking Shipao	Mukden	Y. Someya	Manchurian

The Hoten Manshu Nippo	Mukden	M. Iworiya	Japanese
The Hoten Shimbun	"	T. Ishida	"
The Shinkyo Nichi-Nichi Shimbun	Hsinking	Y. Tokawa	"
The Shinkyo Nippo	"	T. Hokoda	"
The Dai-Mammo	"	T. Oishi	"
The Harbin Nichi-Nichi Shimbun	Harbin	J. Osawa	"
The Harbinskoe Vramia	"	" "	Russian

Japanese Press Correspondents:

The Shimbun Rengo	Dairen, Mukden, Hsinking, etc.		
The Nippon Dempo	"	"	"
The Osaka Mainichi	"	"	"
The Osaka Asahi	"	"	"

Russian Newspapers:

Name	Published at	Publishers or Editors	Language
The Zaria	Harbin	M. S. Lemvitch	Russian
The Rupor	"	R. Mashikoff	"
The Russkoe Slovo	"	Svoline	"
The Novoschi Vostoka	"	Kopakchin	"
The Nasha Gazetta	"	Ivanov	"

British Newspaper:

Name	Published at	Publishers or Editors	Language
The Harbin Observer	Harbin	B. H. Fleet	English

Other Foreign Press Correspondents

Name	Published at	Publishers or Editors	
W. A. Mitchell	The Times (London), Reuter, A.P., Mukden		
L. Venator	The New York Times		"
J. F. Newel	German Telegraph Union		"
G. W. Gorman	The Daily Telegraph		Dairen
D. W. Laycock	Reuter		Harbin
B. H. Fleet	Universal Service		"

Section II.

Social Welfare

Native Institutions.—A number of native social welfare organizations exist in Manchuria, headed by the noted Tungshantang in Mukden, which has been active since the days of the old regime, its activities including the six departments of Niutouchu (vaccination), Hsitzechu (collection of printed papers scattered on the roads), Taohsuehkuan (teaching of Taoism), Chinso (vagabonds and beggars' home), Yuyingtang (infant welfare) and Shichouchang (free rice-gruel station).

At present the Tungshantang's work is divided into the three departments of taxation, operation and general affairs with such sub-divisions as business office, vaccination office, vagabonds and beggars' home, business school for girls, quarters for the destitute, convalescent hospital, charity hospital, reformatory, orphanage, medical school, rice-gruel and food depot, training factory and temporary refugees relief station. The institution has been financially supported by official circles and is carrying on excellent work.

Dairen Hungtsishantang.—The institution is under the control of Manchurian philanthropists, and receives a subsidy from the Kwantung Government. Its activities include free medical treatment, care of widows, infants, and the aged, prevention of opium

smoking, free distribution of coffins, free funerals and relief for the poor.

Pinminpinanso. (Dairen)—This provides winter quarters for the poor for housing and giving relief to immigrants from Shantung passing via Dairen to interior Manchuria.

Loutien Shihchang.—This is an open air market established for the purpose of assisting the lower class Manchurians in and around Hsiaokangtze, Dairen.

Huakung Huanloyuan.—A house established for the recreation and amusement of the native workmen at the Fushun Colliery.

In addition, other institutes of similar nature can be found all over Manchuria. Recent investigations made by the Department of Civil Affairs reveal that various social welfare institutes have been established by the local authorities, the Swastika Association, Buddhist organizations, and many other charity societies. There are 16 social welfare institutes in the City of Hsinking, 17 in Kirin City, 18 in Kirin Province, 27 in the Harbin district, 6 in Mukden City, 46 in Fengtien Province, 11 in Tsitsihar City and 20 in Heilungkiang Province. Prompted by the traditional desire of the social leaders to better the living conditions of the poor and spurred by the benevolent administration of the new regime, social welfare work in this country is making steady progress.

Japanese Institutions.—With large annual subsidies by the Kwantung Government and others,

various Japanese organizations are engaged in welfare work both for Japanese and Manchurians—the protection and education of poor children, orphans and women of misfortune, relief of the unemployed, and administering medical treatment to the sick and poor, and giving protection to ex-convicts. The Japan Red Cross Society, the Dairen Charity Hospital and the Fushun Colliery Hospital, among others, are giving free medical treatment to the needy Japanese and Manchurians.

Cultural institutions for the education of poor Japanese and native children have also been established, with the support of the Kwantung Government, the S.M.R. Co. and other public organizations.

Other Foreign Institutions.—Generally attached to church and missions, social welfare activities are also conducted by foreign missionaries, although still on a small scale. Most of the missions are engaged in giving medical aid to the poor Manchurians, while managing orphanages or vocational institutes.

Section III

Health and Sanitation

Knowledge and practice of modern medical science and hygiene are still far from being universal in this country. Serious efforts, however, are made at present by the Government to educate the people in personal and public hygiene, as well as to prevent the outbreak

of contagious diseases and epidemics, a notable example of which was witnessed during and after the North Manchurian flood in the summer of 1932, when cholera and typhus were prevalent. With the exception of the work carried on by the S.M.R. and the Kwantung Government authorities and by some other foreigners, practically nothing was done along this line during the former regime.

Thrice was the land visited and afflicted by serious epidemics in the olden days-influenza in 1910-11, cholera in 1919, and again influenza in 1927. Since then preventive measures for infectious diseases and epidemics came to be seriously considered by the authorities concerned and various sanitary institutions have come into being. The influenza which broke out in 1910 and 1911 led to the establishment of hospitals at Harbin and Heiho. At present government hospitals and disease prevention stations are located at Mukden, Kirin, Tsitsihar, Harbin, Manchouli, Shanhaikwan, Yingkow and Antung.

Medical schools for the training of qualified physicians and surgeons number at present as follows :

Schools	Professors and Lecturers	Graduates
Harbin Medical College .	11	41
Mukden Medical School	15	221
Kirin Medical School	7	27
Mukden Medical College (by S.M.R.) .	31	247

The number of licensed medical practitioners, pharmacists, dentists, etc. is as follows :

	Mukden Prov.	Kirin Prov.	Heilung- kiang	Total
Physicians & surgeons	4,189	1,287	263	5,739
Dentists .	131	221	?	352
Midwives .	2,291	38	2	2,331
Pharmacists . .	441	25	?	466
Drug stores .	1,259	90	?	1,349

Japanese medical institutes have done a great deal towards the improvement of the sanitary conditions of Manchuria. The Dairen Hospital which was originally established by the South Manchuria Railway Co., has become independent of the Company, has also established hospitals at such important cities and towns as Wafangtien, Tashichiao, Yingkow, Anshan, Liaoyang, Mukden, Tiehling, Kaiyuan, Ssuping kai, Kungchuling, Hsinking, Kirin, Fushun, Suchiatun, Penhsifu and Antung. The Japan Red Cross Society maintains a hospital at Dairen and a branch at Chinchow, while there are a number of other hospitals under the management of the Kwantung Government in the Leased Territory. There are also many training schools for midwives and nurses, attached to the Japanese Red Cross Society and other hospitals.

The number of medical practitioners, dentists, pharmacists, etc. under the jurisdiction of the Kwantung Government (The Leased Territory and the S.M.R. Zone), recently stood as follows: Physicians 457; dentists 28; veterinarians 136; Pharmacists 85; Midwives 509; and nurses 803.

Victims of contagious diseases during the recent years in the Leased Territory and the S.M.R. Zone numbered as follows :

		1930		1931	
		Japanese	Man-churians	Japanese	Man-churians
Cholera	{ Patients .	—	—	—	—
	{ Deaths .	—	—	—	—
Dysentery	{ Patients .	1,538	90	1,260	67
	{ Deaths .	183	18	127	18
Typhoid fever	{ Patients .	664	93	456	31
	{ Deaths .	97	14	72	8
Paratyphus	{ Patients .	298	20	126	2
	{ Deaths .	13	3	5	—
Smallpox	{ Patients .	21	61	19	15
	{ Deaths .	2	16	1	2
Eruptive typhus.	{ Patients .	38	13	57	7
	{ Deaths .	2	—	2	2
Scarlet fever	{ Patients .	488	24	525	25
	{ Deaths .	25	13	23	8
Diphtheria	{ Patients .	418	21	273	21
	{ Deaths .	18	6	22	11
Bubonic Plague	{ Patients .	—	—	—	—
	{ Deaths .	—	—	—	—
Cerebrospinal meningitis	{ Patients .	36	4	25	2
	{ Deaths .	19	1	18	1

Birth and Death Rates in the Kwantung Leased Territory and the S.M.R. Zone

		1930	1931
Population .	{ Japanese .	233,158	242,579
	{ Manchurians .	1,055,550	1,030,484
Births .	{ Japanese .	6,426	6,965
	{ Manchurians .	27,175	25,781
Birth rate	{ Japanese	27.56	28.71
	{ Manchurians	25.68	24.97

Deaths.....	Japanese	2,989	3,003
	Manchurians	16,503	15,749
Death rate.....	Japanese	12.81	12.39
	Manchurians	15.60	15.25

Some European and American missionaries in Manchuria are engaged in medical work. The most noted medical institutions are the Shengking Hospital and the Shengking Hospital for Women at Mukden. The Shengking Hospital which was established by Dr. Dugald Christie of the Scottish Missionary Society in 1882 is one of the most important in Manchuria. It has hospitals at various cities.

There are other smaller hospitals run by European and American missionaries at various places as shown below :

Name	Place	Nationality
Yingkow Patsi Hospital.....	Yingkow	British
Christian Hospital for Women ..	Chinchow	"
Liaoyang Christian Free Hospital ..	Liaoyang	"
British Hospital	Hailung	"
Puai Hospital and Weimei Hospital ...	Hsinminfu	"
Free Hospital of Tiehling Christian Church.	Tiehling	"
Kaiyuan Christian Church Hospital ...	Kaiyuan	"
Fakumen Christian Church Hospital ..	Fakumen	"
Christian Free Hospital.....	Hsinking	"
Hsinking Christian Hospital for Women ..	"	"
Hsinking Jentzutang Free Hospital .	"	French
Kirin Anglican Church Hospital ...	Kirin	British
Antung Danish Hospital .	Antung	Danish
Hsishan Hospital	Hsiuyen-hsiencheng	"
Tsichang Hospital.....	Lungchingtsun	Canadian



Old and new sites in Mukden, formerly capital of Manchuria. Mukden railway station and the historic North Mausoleum.

Chapter VIII

Principal Cities

Antung: Antung, one of the three important open ports in South Manchuria, is situated at a place 275.8 kilometres southeast of Mukden, near the mouth of the Yalu River. The city has flourished since the Russo-Japanese War as a distributing centre of such local staples as timber, bean cakes, bean oil, wild silk and rice. There are government offices, public organizations, business concerns and various cultural establishments. The population of the city is estimated at 174,200 including 11,771 Japanese. The famous Wulungpei hotspring resort is 25 kilometres away from the city.

Penhsihu: The town is more important industrially than commercially, being noted for its coal, anthracite and semi-anthracite, besides iron ore. The annual output of coal is estimated at 500,000 tons, and that of iron ore some 80,000,000 tons.

Fushun: Fushun and its suburbs contain an estimated population of 79,000, including some 17,000 Japanese. The city is famous for its collieries operated by the S.M.R. Co., the total deposit of coal being roughly estimated at 1,000,000,000 tons.

Mukden: This city, capital of Fengtien Province, has the largest population in South Manchuria-about

450,000. The South Manchuria Railway, Mukden-Shanhaikwan Railway, Mukden-Antung Railway and Mukden-Hailung Railway lines all converge here. For decades it was the capital of old Manchuria. During the Chang regime the city was the centre, political, military as well as commercial, but since the founding of the new State its position has become that of a purely commercial and industrial metropolis. There are various government offices, public organizations, business firms and cultural institutes, besides numerous historic tombs, temples, palaces, etc. The city constitutes a distributing centre for beans, bean cakes, bean oil, wheat flour, coal, cotton piece goods, cotton yarn and hundreds of sundry goods, besides being the centre of various enterprises.

Lushun (Port Arthur): Lushun, capital of the Kwantung Leased Territory, occupies the southern extremity of the Liaotung Peninsula. As the fierce battle grounds in both the Sino-Japanese War of 1894-5 and the Russo-Japanese War of 1904-5, it is widely known. The Kwantung Government Office, judicial courts and educational institutes are located here. There are many places of interest, including old battlefields in and around the city. The population is 29,430.

Dairen: Dairen is the largest free port in the Far East. Advantageously situated and well equipped, the port has steadily grown and flourished since the Russo-Japanese War, and at present almost 90 per-

cent of the total Manchuria trade passes through this port. The city is the seat of the South Manchuria Railway Co. and boasts of various government offices, banking houses, business firms, hospitals, social welfare organizations and educational institutes with picturesque sites in the suburbs. The population totals 292,071, with 178,470 Manchurians, 111,293 Japanese, 1,577 Koreans and 711 other foreigners.

Yingkow (Newchwang): Yingkow is the oldest open port in Manchuria, having been opened by the Tientsin treaty of 1858. Although the former glory of the city has gradually dwindled with the development of Dairen, the port still ranks first in coastwise trade among the three ports of South Manchuria. Exports include soya beans, kaoliang, bean cakes, Chinese brandy, medical materials, wild silk and ginseng, while imports include cotton piece goods, kerosene oil, sugar, tea and papers. Various industries such as oil-refining, spinning, tile-manufacturing, match-making and cigarette-making flourish in the city. A number of public offices, commercial establishments and educational institutions are here. The population totals 143,580, including 3,042 Japanese.

Tiehling: The city has grown since the Russo-Japanese War as an open mart, and is a distributing centre of soya beans, rice, kaoliang, wild silk, leaf tobacco, wheat flour and bean cakes. The inhabitants number 45,441.

Kaiyuan: As the hinterland of the city is abundant in soya beans, millet, kaoliang, wild silk, leaf tobacco, hemp, indigo and honey, Kaiyuan has developed into one of the most flourishing centres of South Manchuria. There are various commercial organizations and business firms. The population totals 32,283.

Ssupingkai: The city may be called the front gate to Inner Mongolia, being the junction of the South Manchuria Railway and the Ssupingkai-Taonan Railway. Although the city was developed quite recently, it is a great assembling centre of various staples, and has a population of 18,037.

Kungehuling: The city with 21,997 inhabitants is noted for its agricultural experiment station established by the South Manchuria Railway Co.

Hsinking: Hsinking (formerly Changchun) has been selected the seat of the Manchoukuo Government. The present population totals roughly 149,600, including residents in the S.M.R. Zone. Since the inauguration of the capital various Government offices have been established here and the city has made enormous strides in various industries, trade, and cultural activities. Modern city-planning designed to transform Hsinking into a great metropolis befitting the capital of the new State is now being carried out at the hands of the Government's Capital Construction Bureau. A portion of the plan may be given below:

1. Communication System with Hsinking as its Centre.—The system will have the following seven roads running from its centre:

- a) Nungan Road
- b) Huaite Road
- c) Fengtien Road
- d) Yitung Road
- e) Shuangyang Road
- f) Kirin Road
- g) Harbin Road

2. Streets.—The streets are to be of three classes, viz., main thoroughfares, secondary main thoroughfares and auxiliary streets. The main thoroughfares are to be 26 to 54 metres wide, the secondary main thoroughfares 10–18 metres in width, and auxiliary streets less than ten metres wide. These streets may be used alternately depending upon the conditions of the districts or the topography of the city. Bridle paths will be constructed within a park or along the streets connecting the different parks. Promenades will also be provided for in the main thoroughfares.

At important centres of the city, squares (circles) are to be provided for, each embodying certain features of a park, and giving a scenic and artistic appearance to its surrounding. A special road is to be laid for the carts engaged in the transportation of commodities and other articles between the city and its outskirts.

3. Principal Public Establishments.

a) Parks are to be of three sizes in general. Large and medium sized parks will be connected one with another by streets. The small parks are to be built in the primary school area and also in the residential districts.

b) Athletic fields, race-courses, golf links and other athletic establishments are to be constructed in the special sections reserved for, or inside parks.

c) Slaughter houses, dumping grounds, etc. are to be established in the industrial districts.

d) Three classes of markets are to be established: live-stock market, central market and retail markets. There is to be one livestock market and one central market. A retail market is to be established for every 3,000 inhabitants.

e) The locality and the area for schools are to be reserved in some appropriate districts.

f) Both underground and surface water are to be used for water works. The former is to be regulated through the water tank and together with the latter it shall constitute the water supply system of the city.

g) The sewerage system is to be so arranged as to meet the requirements of the conditions of various localities.

h) A granary is to be built in the vicinity of the point where the Kirin-Hsinking Railway line crosses the eastern suburb of Hsinking.

i) Museums, libraries, public halls, zoological and botanical gardens, etc. are to be located in or near parks.

j) The Office of the Chief Executive, Offices of the various Departments and other Government Offices are to be properly situated by taking into consideration the topographic conditions, communication facilities and matters of protection.

The total expenditure for the construction of the capital during the first five years is estimated at M.¥30,000,000.

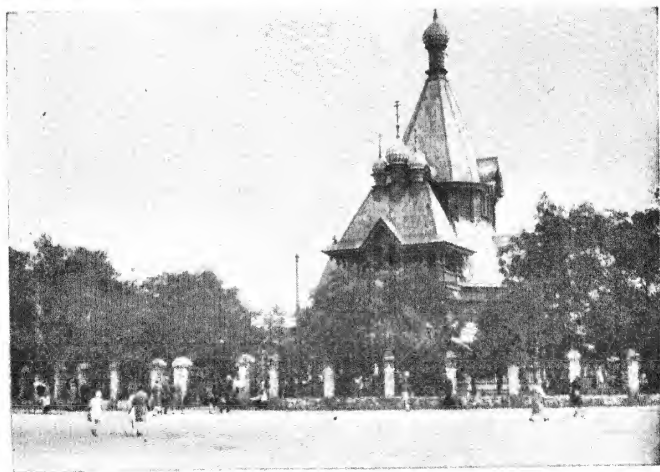
Chengchiatung: The city through which the Ssuningkai-Taonan Railway line passes is a Mongolian city, originally opened for the Chinese who were engaged in trade with the Mongols. With the development of the Tungliao and Taonan districts, the city lost its importance as a trade centre. Exports from the city are kaoliang, soya beans, leather, soda, cattle and horses. The population is 40,993.

Kirin: This is the capital of Kirin Province, and is an old city situated on the left bank of the Sungari River, with a population of 190,952. It is a distributing centre for timber, leather, leaf tobacco and hemp, assembled from its rich hinterland. There are government offices, military headquarters, commercial organizations, business concerns and educational institutes.

Harbin: Harbin is the cosmopolitan city of North Manchuria, situated on the right bank of the Sungari River, with a population of 384,570, of which fully one-fourth are Russians. It is a great assembling centre for soya beans, wheat, bean cake and various cereals. Originally a tiny fishing village inhabited by a small batch of Russians and Chinese, Harbin has developed during the 50 years of its history into a great metropolis after the construction of the North Manchuria Railway. The city has been governed by the Municipal Administration of Harbin under a Chinese Mayor but the administration was reorganized in July this year as the Special Municipality of Harbin with twenty-one elected Municipal Councillors inclusive of thirteen Manchurians, three Japanese, three Russians and two other foreigners. The Municipal Council governs the city under the direction of a Manchurian Administrator, The city has various government and municipal offices, railway offices, banks, corporations, business firms, social and educational establishments, hospitals, etc.

Tsitsihar: The city is the capital of Heilungkiang Province. Although it is well connected with Angangchi and Harbin, the importance of the city as a commercial centre has dwindled of late. The population is estimated at 89,604.

Manchouli: Manchouli, the terminus of the North Manchuria Railway, is a border city connecting Manchoukuo and Soviet Russia, situated at a point 935



Scenes in Harbin, a great metropolis in North Manchuria built up chiefly by the Russians, showing Kitaiskaya Street which is the business and shopping center, and one of the old Russian cathedrals.

kilometres west of Harbin. Various Manchurian and Russian official and commercial establishments may be found here.

Chengtch (Jehol), capital of Jehol Province

The city constitutes a strategic point being connected with Chihfeng and Peiping via Kupeikow. After the pacification of the province by Manchoukuo, the city has become the political centre of the province. Kao-liang, millet and wool are staple products of the city. There is the old summer palace built and used by Manchu rulers, besides historic temples and other relics. The population is about 20,000.

Appendix A.

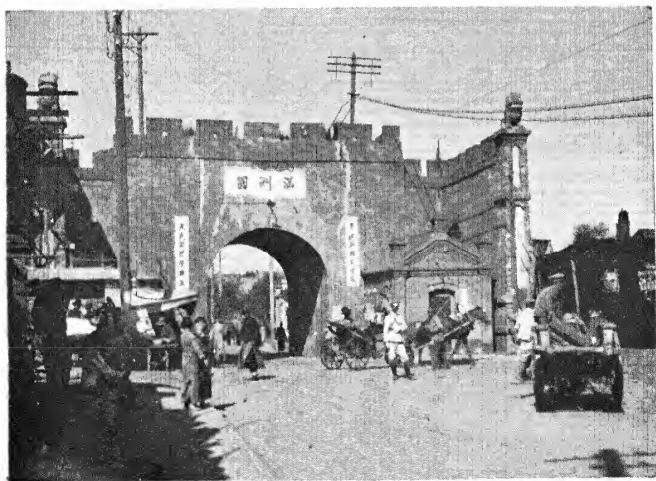
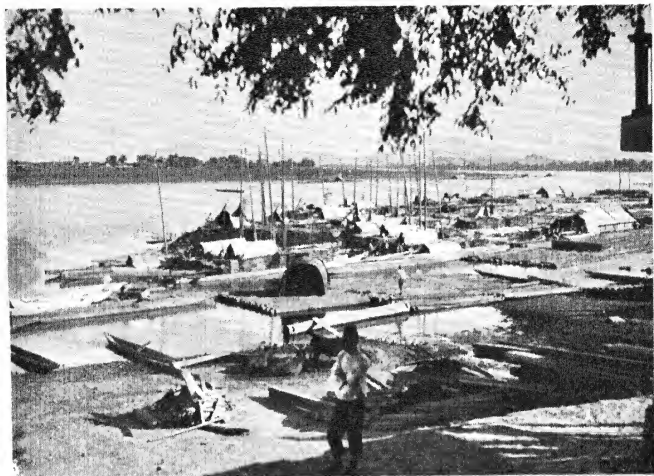
**PARTIAL REVISION OF MANCHOUKUO'S IMPORT
AND EXPORT DUTIES**

Ordinance No. 62

Promulgated on July 22, Second Year of Tatung

In regard to the partial revision of the present Import and Export Customs Tariffs of Manchoukuo promulgated on July 22, and made effective on and after July 23, 1933, the Department of Finance of the Manchoukuo Government to-day (July 22) gave the following explanation :

In view of the fact that the present Import and Export Customs Tariffs of Manchoukuo were originally promulgated and put into operation by the old Chinese regime, it is generally admitted that they contain various inadequate and unreasonable points in respect to both rates and classification of articles, as a result of which they fail to meet the requirements of the present economic and industrial conditions, as well as the standard of living of the masses of this country. Hence, a thorough revision of the present Tariffs is necessary. As the revision of the Customs Tariffs, however, has important bearing upon the various spheres of economic and financial activities of the people, it can be effected only after due consideration and careful deliberation.



Picturesque Kirin situated on the branch of the Sungari River and a street scene in Tsitsihar, capital of Heilungkiang Province.

In the circumstances, the finance authorities of the Government have thought it advisable to study the general trend of economic and financial conditions of this country, setting aside at least three years in which they may be able to make full preparations for a general and fundamental revision of the present Tariffs. Thus, the authorities have decided to map out a basic programme for the materialization of the objective in view, externally keeping in harmony with general tendencies of world economic conditions and internally accomplishing the readjustment or reformation of the tax system.

Nevertheless, it is the opinion of the authorities that some suitable arrangements should be made until the general and fundamental revision of the present Tariffs is effected, so as to modify such Tariff rates now in force which are not in accord with the present state of affairs and which hinder the development of industries and the execution of the present national policies or hinder the work of collecting revenues.

Accordingly, the authorities have decided to effect a partial revision of the present Tariffs as an interim measure pending the contemplated general revision.

In effecting this partial revision, the following general policies have been kept in mind :

- (1) In the present financial conditions of this country, any Tariff revision which will lead to a decrease of national revenues shall be avoided.

- (2) As the present revision assumes the nature of an interim measure, no modification involving mere matters of formality shall be attempted.
- (3) Such partial revision as may cause disparity in the general rates on articles shall be avoided.
- (4) Modifications of rates designed to maintain an equilibrium with the consumption tax shall be refrained.
- (5) Rates shall be revised to the widest extent possible to relieve the tax burdens of the people, if they may be deemed as fulfilling the following conditions :
 - (a) Tariff rates which are so high as to have an anti-foreign taint or discrimination ;
 - (b) Tariff rates which are so high as to be in the nature of protection in spite of the fact there exist no industry in this country requiring such protection ;
 - (c) Tariff rates on articles of daily necessities whose importation is prevented due to excessively high duties ;
 - (d) Tariff rates on articles which are deemed essential to the development of industries in this country, subject to a certain limitation placed thereon by financial conditions ;
 - (e) Tariff rates on building materials which are indispensable in the construction works of cities in this country.

- (6) In order to cover the possible decrease in the Customs revenues as a result of the aforementioned Tariff modifications, duties shall be raised on articles which are deemed to be flexible in bearing tax burdens.

Articles on which Tariff rates have been revised are as follows :

- (1) Articles selected as coming under (a) and (b) mentioned in the foregoing are :

Tariff No. 60—Knitted Clothing, Raised

„ „ 62—Socks and Stockings :

(a) Not raised on either side

(1) Made of ungassed or unmercerised thread

„ „ 66—Towels, Turkish

„ „ 499—Soap, Household and Laundry (including Blue Mottled)

„ „ 564—Straw, Panama Straw and the Like and Manufactures thereof :

(c) Hats :

(1) of Straw or Rush

„ „ 576—Chinaware (including those for Tobacconists' use)

- (2) Articles that come under (c) mentioned in the foregoing are :

Tariff No. 64—Ankle-bands

„ „ 67—Blankets and Blanket Cloth.

Tariff No. 97—Woolen Piece Goods (including those mixed with other fibres except silk)
n.o.p.f.

„ „ 258—Fish, Fresh :

- (a) Pagrosomus major, Temminck et Schlegel; Evynnis cardinalis, Lacepede; Eels (Anguilla japonica; Temminck et Schlegel); Tunnies and Albacores; Lobsters (Palinurus japonicus, de Haan); Prawns (Penaeus japonicus, Bate).

„ „ 513—Paper, Common Printing and Newsprinting (made chiefly of Mechanical Wood Pulp), Calendered or Uncalendered, Sized or Unsized, White or Coloured :

- (a) Newsprinting Paper in rolls
- (b) Others

„ „ 561—Mats, n.o.p.f.:

- (a) Fancy
- (b) Rush
- (c) Straw
- (d) Tatami
- (e) Others

„ „ 562—Matting, n.o.p.f.:

- (a) Straw, 36 ins by 40 yds
- (b) Others

Tariff No. 621—India-Rubber and Gutta-percha, and Manufactures thereof:

(b) Boots and Shoes as also Footgear made wholly or partly of Rubber

(1) "Tabi" Shoes, with Rubber Soles

(3) The following articles come under (d) mentioned above:

In Import Tariff:

Tariff No. 216 —Agricultural Machinery and parts thereof.

„ „ 216 2—Rock Drills, Coal Cutters, Exploratory Boring Machines, Underground ventilating machines of Large Sizes, Winding Machines, Conveying Vehicles, Power Shovels, Excavators, and other Machines, Implements or Tools for Mining and accessories and parts thereof

„ „ 216-3—Blast Furnaces, Steel Furnaces, Crushers and other Machines, Implements or Tools for Dressing and Metallurgy and accessories and parts thereof

Tariff No. 442—Sulphur :

- (a) Crude (Lumps or Powder)
- „ „ 610—Animals, Living :
 - (a) Domestic Animals for Breeding
- „ „ 356—Seeds, n.o.p.f.:
 - (a) Cotton Seed for Culture
- „ „ 325—Fodder

In Export Tariff:**Tariff No. 102-2—Mineral Oils**

- „ „ 104-2—Paraffin Wax
- „ „ 161-2—Wood Pulp
- „ „ 189—Wool, Sheep's
- „ „ 220—Iron and Manufactures thereof :

(c) Pigs and Kentledge

Tariff No. 249-2—Chemicals and Chemical Compounds (including Benzol, Creosote, Naphthalene, Pitch and other Coaltar Distillates, and Coaltar) n.o.p.f.

The Tariff rates on the following articles have been revised for the development of agriculture, animal breeding, mining and industries for producing raw materials of this country :

- (4) Articles that come under (e) mentioned in the foregoing are :

Tariff No. 156—Nails, Wire and Cut

„ „ 178—Others :

(a) Barbed Wire

„ „ 236—Electrical Materials, Fixtures and Fittings for Wiring, Transmission, and Distribution :

(a) Bulbs, Cleats, Insulators or Knobs, Ceiling, Rosettes, Fuse-boxes, Plugs, Receptacles, Switches and Switchboards

„ „ 477-2—Paints, excluding Ships Bottom Paints, Patent Dryer, and Luminous Paints

„ „ 587—Cement, Hydraulic as Portland

„ „ 593—Tiles :

(a) For Roofing

„ „ 611—Building Materials, n.o.p.f.

As prices of the above mentioned articles which have been in great demand for the city construction and other building enterprises since the founding of the new State have advanced of late, the authorities have decided to reduce by half the Tariff rates on these articles uniformly as an interim measure until the present constructive enterprises reach a final stage, thus coping with the urgent requirements of the moment.

(5) The only article that comes under (6) mentioned in the foregoing is :

Tariff No. 388—Tobacco, Leaf :

- (a) Value over M¥ 200 per picul.
- (b) Value over M¥70 but not over M¥200 per picul.
- (c) Value not over M¥70 per picul.

Import Tariffs

No.	Name of Article.	Tariff Unit & Duty Per M. Yuan	Old Tariff M.Y. (1.00 G.U.= M¥1.95)
60	Knitted Clothing, Raised .	Picul 29.30	33.15
62	Socks and Stockings:—		
	(a) Not Raised on either side :		
	(1) Made of ungassed or un- mercerised thread	" 39.00	60.45
	(1) Made of gassed or mercerised thread	" 87.70	
	(b) Others	Value 15%	
64	Ankle-bands . . .	Picul 29.20	39.00
66	Towels, Turkish	" 24.40	35.10
67	Blankets and Blanket Cloth	" 16.90	42.90
97	Woollen Piece Goods (including those mixed with any other fibres except silk), n.o.p.f.	Value 25%	
156	Nails, Wire and Cut	Picul 1.50	2.93
178	Others:—		
	(a) Barbed Wire	Value 5%	10%
	(b) Others	" 10%	

216	Agricultural Machinery, and parts thereof.....	Free	5%
216-2	Rock Drills, Coal Cutters, Exploratory Boring Machines, Underground Ventilating Machines of Large Sizes, Winding Machines, Conveying Vehicles, Power Shovels, Excavators, and other Machines, Implements or Tools for Mining, and accessories and parts thereof.	" 5%	
216-3	Blast Furnaces, Steel Furnaces, Crushers and other Machines, Implements or Tools for Dressing and Metallurgy, and accessories and parts thereof.	" 5%	
236	Electrical Materials, Fixtures, and Fittings for Wiring, Transmission, and Distribution :—		
	(a) Bulbs, Cleats, Insulators or Knobs, Ceiling Rosettes, Fuse-boxes, Plugs, Receptacles, Switches, and Switch-boards. Value	7.5%	15%
	(b) Cords or Wires, Cables, and all other Electrical Materials, n.o.p.f.....	" 10%	
258	Fish, Fresh :—		
	(a) Pagrosomus major, Temminck et Schlegel; Evynnis cardinalis, Lacepede; Eels (Anguilla japonica, Temminck et Schlegel); Tunnies and Albacores; Lobsters (Palinurus japonicus, de Haan); Prawns (Penaeus japonicus, Bate).....	Picul 4.29	4.29
	(b) Others	" 2.15	

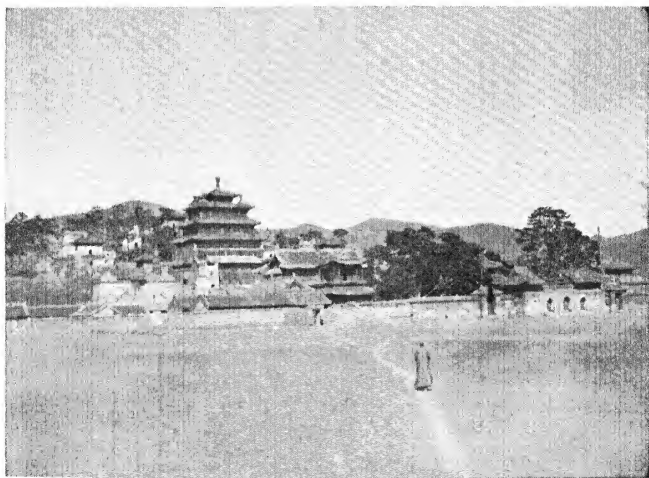
325	Fodder	Free	7.5%
356	Seeds, n.o.p.f. —		
	(a) Cotton Seed, for Culture	Free	10%
	(b) Others	Value 10%	
388	Tobacco, Leaf :—		
	(a) Value over M.Y200 per Picul	Picul 58.50	27.30
	(b) Value over M.Y. 70 but not over M.Y. 200 per Picul.	" 29.25	13.46
	(c) Value not over M.Y. 70 per Picul.	" 12.70	5.66
442	Sulphur :—		
	(a) Crude (Lumps or Powder)	" 0.40	1.38
	(b) Other	Value 10%	
477-2	Paints, excluding Ship's Bottom Paints, Patent Dryer, and Luminous Paints.	Value 7.5%	
499	Soap, Household and Laundry (including Blue Mottled)	" 10%	9.17 } 20%
513	Paper, Common Printing and News- printing (made chiefly of Mechanical Wood Pulp), Calendered or Uncal- endered, Sized or Unsized, White or Coloured :—		
	(a) Newsprinting Paper, in rolls	Picul 1.50	2.34
	(b) Others	" 2.00	3.12
561	Mats, n.o.p.f. —		
	(a) Fancy	Value 10%	20%
	(b) Rush	" 10%	8.58
	(c) Straw	" 10%	5.07
	(d) Tatami (Mat)	" 10%	0.31
	(e) Others	" 10%	20%

562	Matting, n.o.p.f. :—		
	(a) Straw, 36 ins. by 40 yds. .. "	10%	4.68
	(b) Others "	10%	20%
564	Straw, Panama Straw and the like, and Manufactures thereof :—		
	(a) Straw "	10%	
	(b) Cordage "	10%	
	(c) Hats :		
	(1) Of Straw or Rush "	12.5%	30%
	(2) Others "	30%	
	(d) Other Manufactures "	20%	
576	Chinaware (including those for Tobacconist' Use) "	15%	40%
587	Cement, Hydraulic as Portland	Picul 0.25	0.47
593	Tiles :—		
	(a) For Roofing Value	6.25%	} 12.5%
	(b) Others "	12.5%	
610	Animals, Living :—		
	(a) Domestic Animals for Breed- ing	Free	
	(b) Others Value	10%	10%
611	Building Materials, n.o.p.f. "	5%	10%
621	India-rubber and Gutta-percha, and Manufactures thereof :—		
	(a) India-rubber, Crude, Old or Waste, and Gutta-percha, Crude. "	10%	10%
	(b) Boots and Shoes, as also Footgear made wholly or partly of Rubber :		

(1) "Tabi" Shoes, with Rubbers			
Soles	"	10%	
(2) Others	"	17.5%	
(c) Manufactures, n.o.p.f. (including Tires, i.e., for Bicycles, Mortor Vehicles, Ricschas, etc.)	"	20%	} 17.5%

Export Tariffs

No.	Name of Article.	Tariff Unit & Duty Per M. Yuan	Old Tariff M.Y. (1.00 H.T.= M¥1.56)
102-2	Mineral Oils	Free	
104-2	Paraffine Wax	Free	
161-2	Wood Pulp	Free	
189	Wool, Sheep's	Free	3.12
220	Iron, and Manufactures thereof:—		
	(a) Bars, Hoops, Rods, Sheets, etc. (includin Mild Steel).....	Picul 0.30	0.19
	(b) Nails	" 0.30	0.19
	(c) Pigs and Kentledge	Value 2.5%	7.5%
	(d) Wire	Picul 0.59	
	(e) Others (including Steel)	Value 7.5%	
249-2	Chemicals and Chemical Compounds (including Benzol, Creosote, Naphthalene, Pitch and other Coal-tar Distillates, and Coal-tar), n.o.p.f.....	"	5%*



Jechol abounds in historic sites. Two views of old Lama temples, erected several hundred years ago.

Appendix B.

REGULATIONS GOVERNING PASSPORT VISÉ AND ENTRY OF FOREIGNERS INTO MANCHOUKUO

I. NEW REGULATIONS GOVERNING GRANTING OF PASSPORTS AND APPLICATION FOR PASSPORT VISÉS

By the Department of Foreign Affairs
Manchoukuo Government

April 18, 1933.

A set of new regulations adopted by the Department of Foreign Affairs of Manchoukuo will be put into force beginning on June 1, Second Year of Tatung (1933). The contents of these regulations have been communicated by the Foreign Minister, Mr. Hsieh Chieh-shih, to the foreign diplomatic agents in Tokyo, through the Manchoukuo Representative stationed there.

As pointed out in the Foreign Minister's communications, foreigners entering or passing through Manchoukuo will find the new system quite simplified and more convenient, and at the same time less in amount of fees required, as compared to that formerly enforced in Manchuria by the authorities of the Republic of China.

**COMMUNICATION TO FOREIGN COUNTRIES REGARDING
THE ENFORCEMENT OF NEW REGULATIONS
GOVERNING PASSPORT VISÉ**

In view of the fact that under the old regime in Manchuria passport visé was variously enforced locally without any uniformity, and is consequently inapplicable in many respects to the present situation caused by the establishment of the new State, the Government of Manchoukuo has recently drawn up regulations governing passport visé in pursuance to its past declaration that the people in Manchoukuo shall receive equal treatment regardless of their nationalities, and that the principle of the Open Door shall be realized by granting full opportunity to the economic activities of foreign residents in this country. The new regulations shall be put into practice in all parts of Manchoukuo on and after the First day of June, Second Year of Tatung, (1933).

The following table shows the main differences which exist between the old regulations enforced under the Chinese administration and the new regulations.

Main Items	Old Regulation	New Regulation
(1) Visé on a passport for entry	Granted at a diplomatic or consular office abroad.	To be granted at a diplomatic or consular office abroad. Pending completion of such establishments, Visé Agencies shall be opened provisionally at the borders of Manchoukuo
(2) Visé on a passport for transit	Non-existent. Visé on passport for entry uniformly applied	This regulation has been newly provided for the convenience of travellers in transit at the cheaper fee of M ¥ 2.
(3) Certificate of Preconsent to a Visé	Non-existent.	This has been newly provided to ensure a prompt and simple visé and for the convenience of travellers at their discretion.
(4) Visé fees for entering Manchoukuo	Collected according to the principle of reciprocity, to wit: (Fees vary according to exchange rates.) For British Subject, about Fourteen (14) Yuan For American, about Fifty-one (51) Yuan For Frenchman: about Ten (10) Yuan	Ten (10) Manchoukuo Yuan shall be charged uniformly from every nationality
(5) Visé fees for leaving the provincial or national border		

In North Manchuria

Abolished

1. In the case of a national of a treaty power

For one way within a province:

One (1) Yuan

For a return trip within the province:

Two (2) Yuan

For one way outside a province:

Two (2) Yuan

For a return trip outside the province:

Four (4) Yuan

When leaving Manchuria:

Four (4) Yuan

Abolished

- 2 In the case of a national of a non-treaty power or person without nationality

For one way to the interior:

Nine (9) Yuan

For a return trip to and from the interior:

Seventeen (17) Yuan

When leaving Manchuria:

Eight (8) Yuan

In South Manchuria	Abolished
1. In the case of a national of a treaty power	
For one way to the interior:	
Two (2) Yuan	
For a return trip to and from the interior:	
Four (4) Yuan	
For one way out of Manchuria:	
Four (4) Yuan	
For a return trip out of Manchuria:	
Eight (8) Yuan	
2. In the case of a national of a non-treaty power or person without nationality (The collection of fees suspended temporarily since the Incident of September 18, 1931)	Abolished
For one way to the interior:	
Two (2) Yuan	
For a return trip to and from the interior:	
Four (4) Yuan	
For one way out of Manchuria:	
Four (4) Yuan	

For a return trip out
of Manchuria
Eight (8) Yuan

Note:

In all the above cases a certain period is designated for the validity of a visé, so even when a fee is charged for a visé in North Manchuria, it was collected again in South Manchuria in case certain restrictions were exceeded or at the expiration of the designated period of the visé

Visé fees for entering Manchuria

In London: Fourteen (14) Yuan
For one way from Harbin to Mukden:

One (1) Yuan

For leaving the country from Mukden:

Four (4) Yuan

The total fee for three visés:

Nineteen (19) Yuan

Visé fees for entering Manchoukuo

At the border of Manchoukuo:

Ten (10) Manchoukuo Yuan

For a traveller passing through the country within 20 Days

Two (2) Manchoukuo Yuan

Thus, only one visé is needed for entry into Manchoukuo

(6) Example:

In case a British Subject enters Manchuria through Manchouli and stays in Harbin, then goes to Mukden to live there, and then departs from Mukden for a foreign country

As indicated in the foregoing, the new system is greatly convenient, in time as well as in money, to foreign travellers to and from Manchoukuo, for it will be uniformly applied throughout the country and has been considerably simplified in contrast to the old, complicated system, while the fees under the new system are moderate and uniform, the former revenue-seeking policy being entirely discarded. Furthermore, the new system conforms to the spirit of "Wang-tao" (the Way of the Benevolent Rule) which aims at a just and fair treatment for all nationalities, in that it has simplified the procedures required for internal travel of a national of a non-treaty power or one without nationality resident in Manchoukuo.

Again, formerly the authorities of the Republic of China were generally unable to visé or examine passports of foreign travellers passing through the South Manchuria Railway Zone. The Manchoukuo Government, however, with the consent of the Japanese Government and with the understanding and assistance of the Kwantung Government, the Government-General of Chosen (Korea) and the South Manchuria Railway Company, will enforce these matters in a manner which will be convenient to such travellers. Moreover, this Government will not recognize any visé granted by a diplomatic or consular office of the Republic of China on the passport of a traveller entering or passing through this country, or any passport visé, pass (Hu-chiao) or identification card issued by the local authorities of the

said Republic. It is self-evident, however, that the matter of permission for entry into a country or that of granting a passport visé should be reciprocal as between friendly nations, and for this reason, should any country be desirous of effecting a mutual abolition of passport visé, this Government hereby declares that it is prepared to discuss the matter willingly.

**AN ORDER
OF THE DEPARTMENT OF FOREIGN AFFAIRS,
MANCHOUKUO**

**REGULATION GOVERNING PASSPORTS AND PASSPORT
VISÉ OF FOREIGNERS ENTERING MANCHOUKUO**

Article XIII. In the case of a person, for whose admission a visé is required in accordance with existing treaty provisions or by convention or usage, he shall be required before entering this country to obtain a visé of his passport at a Manchoukuo diplomatic or consular office. A person arriving from a country wherein no such establishment exists is required to obtain the same at time of entry from officials especially despatched by the Manchoukuo Department of Foreign Affairs.

Charges for visé on passports are as shown separately.

**DETAILED REGULATION RELATIVE TO GRANTING OF
PASSPORTS AND APPLICATION FOR VISÉ OF
FOREIGNERS ENTERING MANCHOUKUO**

Article III. Any person desirous of entering this country may apply to the Manchoukuo Minister for Foreign Affairs or to the Foreign Affairs Commissioner for North Manchuria

in Harbin for a Certificate of Preconsent to Visé through the diplomatic or consular office of his own country established in Manchoukuo, or, if no such establishment exists, by presenting a certified statement from any person of good reference resident in this country.

When a holder of the aforementioned Certificate applies for a visé by presenting the said Certificate and passport, the officials concerned shall grant the visé without delay, and, so far as no special circumstances exist, without fail.

Article IV. In case a person possesses upon entering this country a ticket, or certificate of consent to the reservation of a cabin or compartment, or other documentary evidence verifying that it falls within the purview of the provisions of any one of the undermentioned paragraphs, and furthermore possesses a passport viséd by some competent officer of the country of destination or other document in place of such a passport, he may apply to the officials concerned for a vise for transit through this country by submitting the said document.

- (1) In case a traveller touches at some port of Manchoukuo, by reason of the call

of the ship in which he travels, and departs for a foreign country by continuing the voyage made by the same steamer ;

- (2) In case a traveller leaves the steamer at some Manchoukuo port, but leaves the country within twenty days by another steamer or by railway or aircraft ;
- (3) In case a traveller enters Manchoukuo by railway or aircraft, and leaves for a foreign country within twenty days.

In the above cases, if the departure takes place after the designated period, additional charges shall be collected for visés of passports upon departure from this country.

Article V. The visé of a passport for transit through this country shall be made on the face of the passport or its substitute document by entering the date of visé, the name of the place of entry and the date of entrance ; on the left-hand side of these entries, the official position and name of the visé officer shall be affixed together with the official seal.

Article VI. Fees for visé of passports and the issue of Certificates of Preconsent to Visé shall be affixed as follows :

- (1) For each visé on a passport for entry :
Manchoukuo Yuan Ten (M.¥10) ;
- (2) For each visé on a passport for transit :
Manchoukuo Yuan Two (M.¥2) ;
- (3) Fees for the issue of the Certificate of
Preconsent to a Visé :
 1. For a national of a country which
has concluded a commercial treaty
with Manchoukuo: Free of charge
 2. For others: Manchoukuo Yuan Two
(M.¥2).

In case the Minister of Foreign Affairs shall deem it necessary, he may exempt the payment of the aforementioned fees.

Article VII. The various fees fixed in the present Regulation shall be payable with revenue stamps (Yin-hua). In the case of the Manchoukuo diplomatic or consular establishment abroad, however, payment may be made with the currency of the country concerned at exchange rates to be fixed separately.

Article VIII. The present Regulation shall come into force on the First day of June, the Second Year of Tatung (1933).

THE PLACES WHERE OFFICIALS ESPECIALLY DESPATCHED FROM THE DEPARTMENT OF FOREIGN AFFAIRS ARE TO BE STATIONED IN ACCORDANCE WITH ARTICLE XIII OF THE REGULATION GOVERNING PASSPORTS AND PASSPORT VISÉ OF FOREIGNERS ENTERING MANCHOUKUO SHALL BE AS UNDER FOR THE PRESENT

1. A person entering the Special Area of the Eastern Provinces (Tung Sheng Special Area) shall obtain visé of his passport at the Agency at Manchouli or Suifenhö ;
2. A person entering Manchoukuo through Shanhaikwan shall obtain visé of his passport at the Agency of the said place, and those entering the country through Hulutao or Yingkow at the Yingkow Agency ;
3. A person entering this country by way of the Kwantung Leased Territory shall obtain his visé at the Dairen Agency ;
4. A person entering this country via Chosen (Korea) shall obtain visé of his passport at the Agency or Huimotung (or at Antung or Rashin).

II. MANCHOUKUO PASSPORT OFFICES (AGENCIES) AT BORDER CITIES

May 23, 1933

Effective June 1, 1933, the Manchoukuo Government will enforce its new regulations governing the granting of passports and passport visés of foreigners entering this country, as announced already (see our Bulletin No. 53, April 18, 1933). Pursuant to the stipulations of the said regulations, the Department of Foreign Affairs will despatch on May 25, 1933, Passport Officers to the undermentioned cities and towns who will assume their duties beginning the first of next month :

Place	Office	Chief of Agency
ANTUNG	Within S. M. R. Office & Antung Ry. Station	Mr. Yuan Tao
DAIREN	2nd floor, old customs station, Yamagata-dori	Mr. Yu Chun
YINGKOW	Near customs station	Mr. Chen Tao
SUIFENHO	Former Soviet customs compound	Mr. Hsu Jui

The Manchoukuo Foreign Office already maintains an agency at Manchouli with passport officers, while there is a Manchoukuo Consulate at Chita which likewise grants visés to holders of passports desiring to enter this country. Passport Officers to Shanhaikwan and Huimotung (along Tumenkiang R.) will be despatched later.

III. RESIDENCE CERTIFICATE OF FOREIGNERS WHO HAVE ENTERED MANCHOUKUO PRIOR TO JUNE 1, 1933.

June 1, 1933.

Officials of the Manchoukuo Department of Foreign Affairs in charge of passport matters announce that, for the convenience of foreigners already resident in Manchoukuo, or more specifically those who have entered this country prior to 1st June, 1933, when the new Manchoukuo Passport Regulation becomes effective, and who may wish to travel through the country, the Department will issue free of charge upon presentation of their passports certificate showing that the bearer has entered Manchoukuo prior to the enforcement commencing 1st June, Second Year of Tatung, 1933, of the "Regulation Governing Passport and Visés for Foreigners Entering Manchoukuo." A holder of such paper will be able to avoid possible trouble or misunderstanding in the future, especially if he should be questioned by any Passport Officer or the Police in the course of his travels.

The aforementioned certificate will be issued by the Department of Foreign Affairs, Hsinking (address to the Foreign Minister or the Director of the Commercial Affairs Bureau of the Foreign Office) or by the Office of Manchoukuo Foreign Affairs Commissioner for North Manchuria, Harbin.

Those residing in distant or inconvenient places disabling them from presenting their passports in person

to the authorities concerned, may apply by letter in duplicate, giving the following items, so that the authorities may have their names on record and issue the certificate :

Full name, nationality, age, native place, present address, profession or occupation, names and ages of children or relatives resident in Manchoukuo, if any, as well as the date of entry into Manchoukuo or Manchuria.

**IV. REGULATION GOVERNING THE PASSPORT VISÉ
OF FOREIGNERS WHO HAVE THEIR FIXED
ABODES IN MANCHOUKUO, KWANTUNG
LEASED TERRITORY AND SOUTH
MANCHURIA RAILWAY ZONE.**

June 15, 1933.

- I. In case a foreigner who has his fixed place of subsistence within the Kwantung Leased Territory and who possesses his residence certificate duly issued by the Police Office of the Kwantung Government, desires
 - (a) to make a journey within the South Manchuria Railway Zone only, the passport visé shall not be necessary, whereas in case he desires
 - (b) to make a journey into the interior outside the S. M. R. Zone via the South Manchuria Railway Zone or enter this country via some place other than the Kwantung Leased Territory or the South Manchuria Railway Zone or enter this country by aeroplane, he shall be required to secure in advance the entrance visé of his passport after having paid an amount equivalent to the transit visé fee.
- II. In case a foreigner who has his fixed place of subsistence within Manchoukuo and who possesses

his residence certificate duly issued by the Police Office of Manchoukuo concerned (in case a foreigner who has his fixed place of subsistence within the South Manchuria Railway Zone and who possesses his residence certificate duly issued by the Police Office of the Kwantung Government concerned) desires

- (a) to enter the interior outside the S.M.R. Zone directly from the South Manchuria Railway Zone, he shall not be required to have his passport viséd, and in case he desires after having left it
- (b) to return to this country via some place other than the Kwantung Leased Territory or the South Manchuria Railway Zone, he shall be required to secure the entrance visé of his passport after having paid an amount equivalent to the transit visé fee.

III. In case the passport officers or other officials of the Manchoukuo Government think it necessary, the traveller mentioned in the preceding paragraphs shall be required to present his passport or a substitute paper for his passport and his residence certificate duly issued by the Police Office concerned to the said officers or officials for their examination and may receive their official seals if occasion demands.

V. REGULATION GOVERNING THE ENTRY OF FOREIGNERS INTO MANCHOUKUO

Departmental Order No. 7

THE DEPARTMENT OF CIVIL AFFAIRS

June 17, Second Year of Tatung

Translation

Article I. The competent authorities mentioned separately hereinafter may forbid the entry of a foreigner seeking admission into Manchoukuo who comes within the purview of any one of the undermentioned groups.

A foreigner, however, for whose entry into this country a passport visé is not required according to the treaty provisions or customary practices hitherto in force, shall not be forbidden entry on account of his not possessing a passport or certificate of nationality.

1. A person who does not possess any passport or certificate of nationality.
2. A person who, it is feared, will prejudice the interests of this country, disturb public peace, or corrupt good morals;
3. A person who is afflicted with any disease dangerous to public health;
4. A person who requires public or private support.

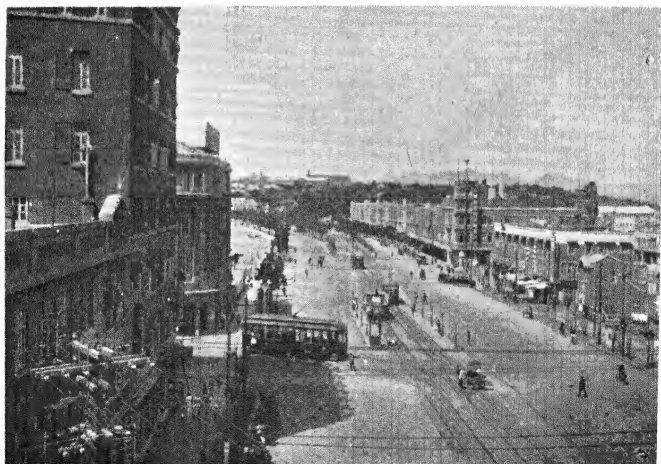
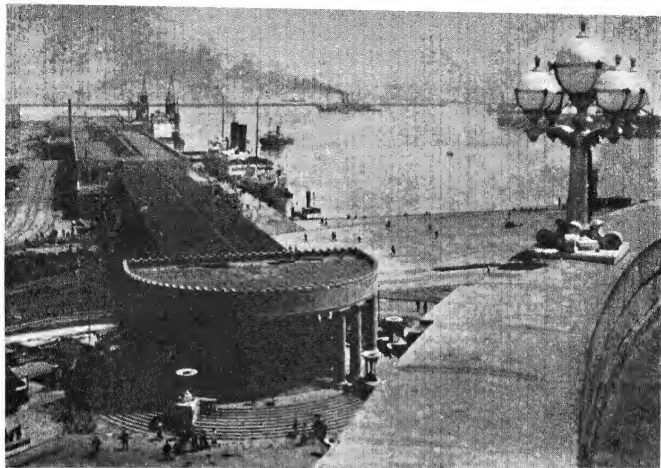
The passport or certificate of nationality mentioned in group 1 of the foregoing must bear attached thereto a photograph of the holder of such document, while the passport must bear a visé duly granted by the authorities concerned of this country.

Article II. The competent authorities mentioned in paragraph 1 of the preceding Article may demand of the foreigner seeking admission into this country the presentation of one hundred (100) Yuan or more.

Article III. A foreigner seeking admission into this country shall produce, when requested by the Manchoukuo police, his passport or certificate of nationality, and shall make *bona fide* statements to inquiries made for the investigation of matters pertaining to any one of the groups mentioned in paragraph 1 of Article I, or any other related matters.

Article IV. In case a foreigner refuses to comply with the request of, or make *bona fide* statements to the inquiries made by, the Manchoukuo police officers as stipulated in the preceding Article, the said officers may forbid the entry of such foreigner into Manchouko, or may order his departure from this country.

Article V. In case a justifiable reason shall be deemed to exist, the provision of Article I, paragraph



Dairen is a busy sea port. The pictures depict the famous wharf, said to be the largest in the Far East, and the Tokiwabashi-dori, "one" of the many lively streets of the city.

1, group 1, may not be applied to a foreigner who is en route to Manchoukuo on the day the present Regulation shall come into force.

Article VI. The present Regulation shall take effect as from the 17th day of June, Second Year of Tatung (1933).

Departmental Order No. 8

THE DEPARTMENT OF CIVIL AFFAIRS

The competent authorities mentioned in Article I of the Departmental Order No. 7, "Regulation Governing the Entry of Foreigners into Manchoukuo", issued by the Department of Civil Affairs shall be as follows:

1. Governors of the Provinces (Fengtien, Kirin, Heilungkiang, and Jehol Provinces);
Governor of the Tungsheng Special Area;
2. Chief of the Metropolitan Police Board,
Chief of the Harbin Police Board;
4. Chiefs of the Frontier Police Garrisons (Antung, Shanhaikwan, Manchouli, Suifenhoh, Wafangtien),
Chief of the Yingkow Marine Police Corps.

Supplementary

Kwantung Leased Territory and S.M.R. Zone

General Remarks.—Kwantungchow, generally known as the Kwantung Leased Territory occupying the southern extremity of the Liaotung peninsula (Fengtien Province,) was originally leased to Tsarist Russia on March 27, 1898, for twenty-five years. By virtue of the Portsmouth Treaty signed in 1905 at the termination of the Russo-Japanese War, Japan secured the lease which was further extended by virtue of the 1915 Sino-Japanese Treaty to ninety-nine years from the date of the original lease i.e. until 1997. At the same time, the terms of the lease of the Dairen-Hsinking (Changchun) line and the Antung-Mukden line of the S M R. were extended to 99 years thus making them effective until 2002 and 2007 respectively.

The combined area of the Leased Territory and the S.M.R. Zone is 3,752.48 sq.km. (1,400 sq. miles) while their population according to recent statistics compiled by the Kwantung Government shows :

	Japanese	Manchurians	Other Foreigners	Total
1930	233,158	1,055,550	2,503	1,291,211
1931	242,579	1,030,184	2,122	1,275,185
1932	272,482	1,049,325	2,057	1,323,864
1933 (May 31) .	285,096	1,065,784	2,167	1,353,047

Kwantung Government.—The Government-General of Kwantung set up immediately after the Russo-Japanese War exercised both civil and military powers. The military government was displaced by the civil Kwantung Government in 1919, with either a military or civil administrator as the Governor. Following the outbreak of the Manchurian Incident and the subsequent birth of Manchoukuo, the Kwantung Government was reformed along the following lines :

(1) The Commander of the Kwantung Army to be concurrently Governor of Kwantung Leased Territory and Ambassador Extraordinary and Plenipotentiary to Manchoukuo.

(2) The organic law of the Kwantung Government to remain in force without any change.

(3) The Ambassador to Manchoukuo to administer the foreign affairs and supervise Japanese Consulates in Manchoukuo, acting upon instructions of the Foreign Minister in Tokyo.

(4) The Special Service Division of the Kwantung Army to remain in existence as before, the staff officers being attached to the Ambassador-Commander as assistants.

(5) Educational, sanitary and various civil enterprises of the South Manchuria Railway to be conducted as heretofore by the said company.

The Kwantung Government consists of the following offices :

Governor	Governor's Secretariat
	Home Affairs Bureau
	Police Administration Bureau
	Local Administration Office
	Finance Bureau
	Courts of Justice
	Procurators' Office
	Communications Bureau

Finance:—Owing to the recent rapid development of various industries and activities—communications, education, police administration, sanitary facilities and social welfare activities—the Kwantung Government encounters some difficulty in making both ends meet in its budget estimates, and accordingly the deficit is met with a special grant from the Tokyo Government. Recent budgets showing the revenues and expenditures of the Government are given below :

Years	Revenues			Total	Total Expenditure
	Taxes and other Receipts	Grants from Tokyo	Surplus from Preceding year		
1929	17,312,040	4,550,000	6,082,005	27,944,045	22,576,460
1930	15,332,019	4,000,000	5,829,122	25,161,141	19,870,876
1931	15,089,877	3,700,000	5,838,385	24,628,062	20,898,535

N.B.—General Takashi Hishikari, succeeding the late Field-Marshal Baron N. Muto, is the Governor of the Leased Territory, Commander of the Kwantang Garrison Army and also Japanese Ambassador to Manchoukuo.

Years	Revenues		
	Ordinary	Extraordinary	Total
1929	16,942,148	11,001,897	27,944,045
1930	15,013,678	10,147,463	25,161,141
1931	14,666,630	9,961,431	24,628,062

	Expenditures		
	Ordinary	Extraordinary	Total
1929	16,247,873	6,328,596	22,576,469
1930	15,763,714	4,134,162	19,870,876
1931	16,525,110	4,373,425	20,898,535

Courts of Justice:—Japanese law courts alone function in the Leased Territory; Japanese laws and ordinances govern all civil and criminal cases irrespective of nationality. The Courts of Justice consist of a High Court and a Local Court; the High Court is divided into the Cassation Department and Appeal Department with a three-court system. Judicial cases within the South Manchuria Railway Zone are under consular jurisdiction in accordance with the provisions of extra-territoriality of the Sino-Japanese Treaty, while appeal or cassation cases in the Zone are brought to the High Court in the Leased Territory.

Although police affairs in the Railway Zone come under the jurisdiction of the Kwantung Government, other administrative affairs including education and sanitation are under the control of the South Manchuria Railway Co. which exercises, in accordance with a treaty stipulation (Contract for the Construction and Operation of the Chinese Eastern Railway, September 8, 1896), "the absolute and exclusive right of admin-

istration of this land." In spite of the provision, the right to levy and collect taxes within the Railway Zone is not actually exercised by the company, only household rates being collected as contributions towards the maintenance of the Railway Zone administration.

Currency and Finance:—Silver notes issued by the Yokohama Specie Bank are still current to an approximate amount of a few million yen, but the most prevalent medium of exchange in the Leased Territory and the S. M. R. Zone is the gold notes issued by the Bank of Chosen and auxiliary coins of the Bank of Japan which are circulated to the amount of about ¥20,000,000. The present system of bimetalism, however, is expected to be replaced by gold system in due course of time.

Of the Japanese financial institutions in the Territory, the outstanding are the Yokohama Specie Bank, the Bank of Chosen and the Oriental Development Co., in addition to various local banks. These financial firms have the following capitalization :

Bank	Head Office	Capital GY	Paid-up Capital
Yokohama Specie Bank	Yokohama	100,000,000	100,000,000
Bank of Chosen	Keijo	40,000,000	25,000,000
Oriental Development Co.	Tokyo	50,000,000	35,000,000
Shoryu Bank	Dairen	12,000,000	5,624,375
Manshu Bank	"	10,000,000	2,906,662
Dairen Commercial Bank.	"	2,000,000	2,000,000
Dairen Koshin Bank	"	500,000	200,000
Changchun Industrial Bank	Hsinking	1,000,000	400,000
Manshu Shokusan Bank	Mukden	500,000	500,000

South Mauchuria Bank	Anshan	1,500,000	375,000
Antung Industrial Bank	Antung	500,000	125,000
Kyosei Bank	"	1,000,000	250,000

Besides the several branches of the Central Bank of Manchou, various foreign and Chinese banks in the territory are in operation: The Hongkong and Shanghai Banking Corporation (British), Bank of Communications (Chinese), National City Bank of New York (American), Bank of China (Chinese), Kincheng Bank (Chinese) and Tunglai Bank (Chinese).

Foreign Trade.—The predominant position which Dairen occupies in Manchuria's foreign trade as witnessed in 1931, can be seen from the following:

Total values of Manchuria's trade H.K.Tls. 629,817,913

Total values of South Manchuria's trade H.K.Tls. 621,807,991
or 89.7% of the total.

Dairen's trade H.K.Tls. 421,569,435 or 61.3% of the total.

Dairen's Japan Trade H.K.Tls. 191,392,496 or 45.8% of Dairen's
total trade values.

Dairen's trade volume as compared with those of Yingkow (Newchwang) and Antung show the following (Unit: HK.Tls. 1000):

	DAIREN			YINGKOW		
	Exports	Imports	Total	Exports	Imports	Total
1929	302,445	206,084	508,529	34,296	52,269	86,565
1930	240,043	182,843	422,886	46,135	57,779	103,914
1931	282,570	141,999	424,569	91,936	30,741	125,677

ANTUNG			
	Exports	Imports	Total
1929	42,572	49,789	92,361
1930	52,823	44,153	97,076
1931	45,743	25,819	71,562

Dairen's Foreign Trade by Countries, Jan.-May, 1933. (Unit: M.¥1000)

	Exports	Imports	Total	%
Japan	55,516	77,369	132,885	41.3
China	9,766	17,514	27,280	8.5
Great Britain . .	1,866	2,035	3,901	1.2
Germany	24,050	3,620	27,670	8.6
U.S.A.	1,804	11,261	13,065	4.0
Others	62,727	53,995	116,722	36.4
Total	155,729	165,794	321,523	100.0

Industries.—The principal industries of the Leased Territory and the S.M.R. Zone include oil-refining, cotton-spinning, rice-refining, and manufacturing of paper, match, glass, brick, chinaware, cigarette, wine, cement, machinery, etc.

The number of factories producing the above mentioned commodities in the Leased Territory and the S.M.R. Zone is as follows: (Unit: G.¥1000)

Leased Territory

	Factories	Capital	Output
1909	127	G.¥ 14,756	G.¥ 4,246
1929	427	131,080	77,691
1930	472	142,359	62,661
1931	460	238,161	59,607

Railway Zone

1909	25	1,376	1,892
1929	362	171,000	49,224
1930	375	181,963	41,323
1931	368	151,016	30,273

Main Factory Products and Values of Output in the Leased Territory and the S.M.R. Zone in 1931 (Unit: G¥ 1000).

Articles	Leased Territory	Railway Zone	Total
Cotton yarn .	G.Y 5,099	G.¥ 2,076	G.Y 7,175
Raw silk .	172	39	211
Wild silk	—	49	49
Cotton .	153	125	278
Tissues . .	231	1,037	1,268
Gunny bags	836	—	836
Steel .	380	—	380
Pig iron .	—	7,103	7,103
Cast iron	—	19	19
Cast iron goods	111	33	144
Wagons	37	7	44
Bricks	369	185	554
Tiles .	28	59	85
Cement .	1,900	—	1,900
Lime .	25	56	81
Glass .	918	23	941
Bean oil .	13,384	886	14,270
Bean cake	30,092	1,571	31,663
Vegetable oil .	1,284	833	2,117
Medical goods	194	2,448	2,643
Soap .	161	45	206
Candle .	48	39	87

N.B.—For educational affairs, refer to Chapter on Educational and Social Enterprises; and for cities, see Chapter on Principal Cities.

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